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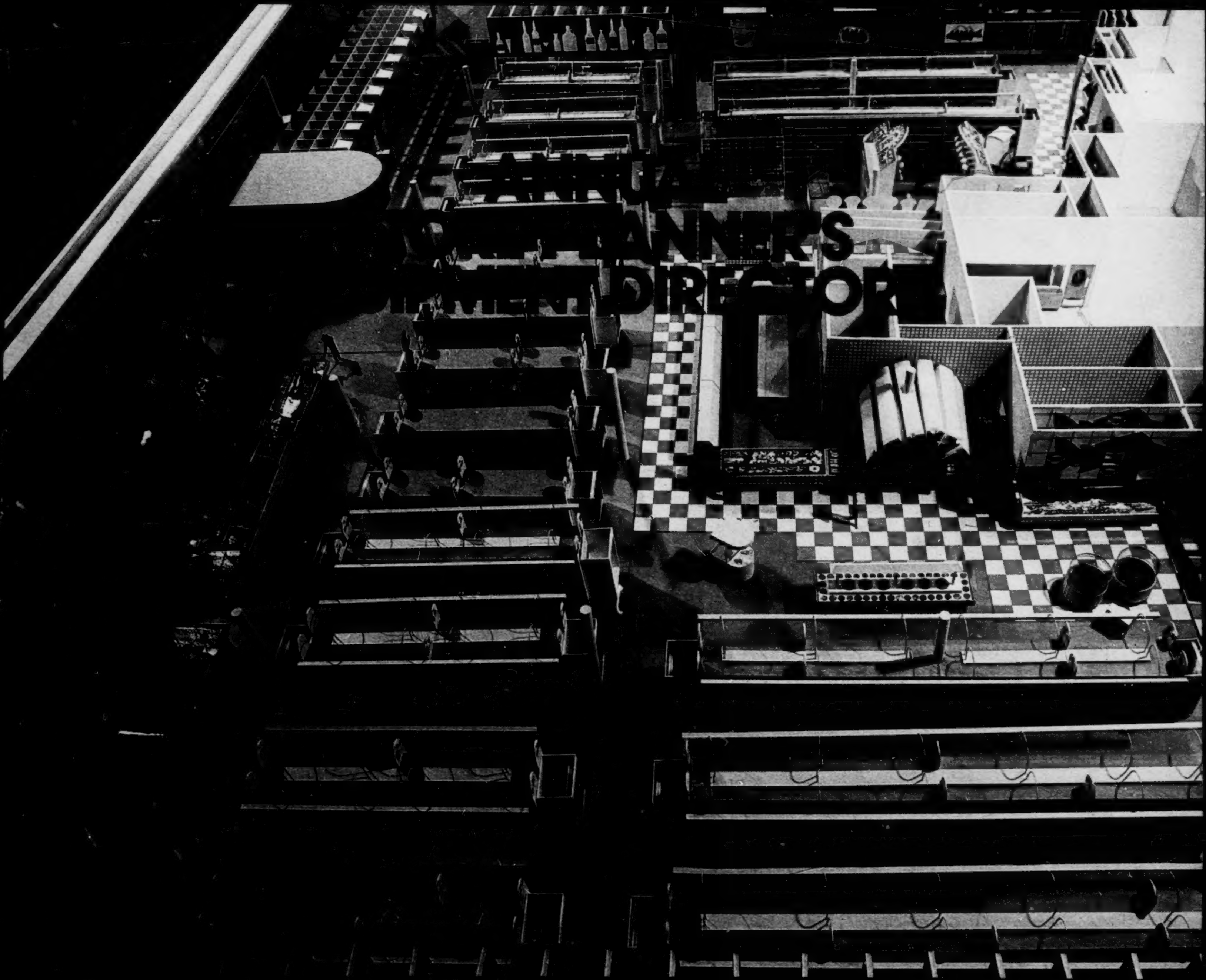

ANNUAL STORE PLANNER'S EQUIPMENT DIRECTORY

STORE EQUIPMENT TODAY:

BUILDING BLOCKS OF THE MARKETING CONCEPT

- *A&P Futurestore
- *Bigg's Hypermarket

SUPERMARKET BUSINESS

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STORE EQUIPMENT TODAY: BUILDING BLOCKS OF THE MARKETING CONCEPT

The emphasis in store design has shifted. Today, with fewer, but bigger stores, there is a far higher stake in each. This means that a growing premium is placed on the equipment supplier's responsiveness to the individual needs of the operator. Equipment must be flexible, efficient and exciting. And, in a move unheard of just a few years ago, equipment must have planned obsolescence, as supermarket operators must quickly move to meet rapid marketing shifts.

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UNCOMMON EQUIPMENT HELPS SET HYPERMARKET APART

Can the hypermarket rise again in the United States? Cincinnati's Bigg's store, styled after the European hypermarkets, may have a tough row to hoe, given the nature and number of its competitors. But the store is very well merchandised, thanks in large part to specially imported equipment.

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REPOSITIONING IN BLACK AND WHITE AT THE NEW A&P FUTURESTORE

A&P is making a great break with tradition in its striking prototype A&P Futurestore. This black and white, boldly designed store emphasizes product more than ever. And A&P hopes customers will find the Futurestore not only elegant, but more "useful" than other supermarkets.

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ANNUAL STORE PLANNERS' EQUIPMENT DIRECTORY

Here is a listing, greatly expanded this year, of the major equipment suppliers to the industry.

FACING PAGE 56
NONFOODS BUSINESS*

BUSINESS BOOMING IN BABY NEEDS FROM THE 'SECOND' BABY BOOM

Supermarkets are having a new success in the nonfoods baby needs department. The key to profitability: as broad a selection as possible and new products—all with price levels that stay within the traditional supermarket boundaries.

ALSO IN NONFOODS BUSINESS:
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SAMI UPDATE
*IN SELECTED EDITIONS ONLY

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CHECKOUT: TRY A BIVALVE GIVEAWAY— IT WORKS!

At an Albertson's store in Washington, customers can gamble on the weight of their selection of clams, from a bulk display. If they're correct to the nearest ounce—they win the clams. This frequent promotion pushes sales at the meat department way up, and gives shoppers a chance to take a chance—without losing.

OTHER FEATURES AND COLUMNS

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SAMI UPDATE

Summer's End Yields Mixed HBA Results

BY ALAN MILLER, JR.

The strong growth of health and beauty aids in food stores recorded in the 1983 summer months has proven to be a tough act to follow in comparable 1984 SAMI reporting periods. This review will assess the major trends recorded in the periods ending August 17 and September 14. Last year, total unit sales of all HBA categories tracked by SAMI combined increased 4.5 percent in the August period and 2.5 percent in September. This year, the rate of gain was 0.7 percent for the period ending August 17 and 1.6 percent for September 14, 1984.

In the August period, unit volume in four of the eight product groups enjoyed gains vis-à-vis the corresponding year ago period, and four suffered losses. The highest rate of gain was 6.2 percent found among proprietary remedies, while the highest loss rate was 5.6 percent for oral hygiene items. At the category level of measurement, there were 23 with plus volume and 27 with negative four-week trends.

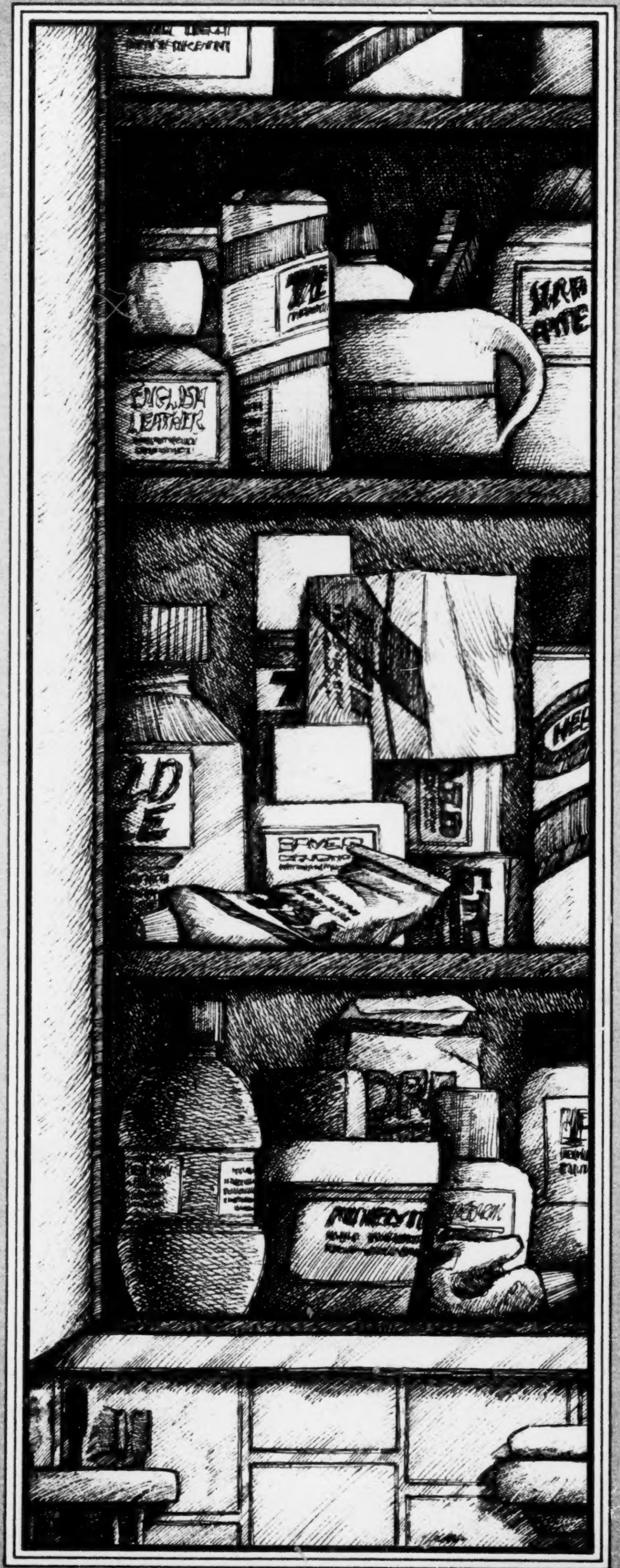
In the September period, there were three product groups with gains and five with losses. The strongest positive trend was 12.1 percent in the case of hair care needs, while the highest loss rate was the 7.7 percent decline in food store unit volume among shaving needs. Twenty-one product categories registered volume gains, as compared with 28 with losses and one (feminine douches) with no change in volume for the four-week period. New mousse products for the hair accounted for a mighty leap of 439 percent in the hair setting needs category as of mid-September. Major gains were also recorded in the shampoo, cold tablet, eye care product and suntan oil and lotion categories. Double-digit loss rates surfaced among cream deodorants, deodorant and talcum powders, feminine hygiene deodorants, home permanent kits, vitamins and razor sets.

Baby business

Moving from product group to product group, and starting with baby needs, we see that only one of the four categories measured by SAMI showed a gain for either of the two late summer reporting periods. Nursing supplies advanced 0.4 percent in August and 4.6 percent in September. In both periods, baby powders exhibited the weakest trend with a loss of 8.9 percent in August followed by the 5.5 percent drop that occurred in the September reporting period. Also in the losing column in both periods were baby oils, cream and lotions and infant clothes.

The deodorant product group, which encompasses eight product categories, achieved a gain of 3.4 percent in the August period, but had a loss of 7,000 units or less than one-tenth of a percent in the period ending in mid-September. There were losses in excess of 10 percent in each period among cream deodorants, deodorant and talcum powder and feminine hygiene deodorants. Spray deodorants had a small gain in August, but in September volume fell 4.2 percent. Roll-ons advanced 13.5 percent during the August period, but the gain rate receded to 1.8 percent a month later. Stick deodorants and pads movement increased 2.5 percent and 5.4 percent, respectively, by period.

The hair care product group has shown good performance overall in both reporting periods. Because of the growth of the mousse products and a firm showing for shampoos (+13.6 percent) and hair sprays (+8.7 percent) in September, the rate of growth for the product group as a whole rose from 3.2 percent to 12.1 percent. The high-volume hair



SAMI

conditioning rinse category moved from a 2.1 percent loss to a 5.5 percent gain between periods, while hair dressing needs proceeded in the opposite direction from a minor gain of 0.2 percent in August to a small 1.8 percent loss in September.

Teething problems

At first glance, the toothpaste category appears to be a disaster area with consecutive losses of 10.2 percent in August and 8.1 percent as of mid-September. However, looking back to the corresponding year ago periods, it becomes obvious that it is not that this year is so bad, but that last year was so good. For three months last summer, promotions and deals were successful in expanding not only the leading brand, Crest, but also the entire category. Now the stage is set for major contenders in this category to pump things up now that Check-Up, launched by the upstart Minnetonka, has done the priming. Mouth washes have been showing unit volume gains in the two-to-three percent range, while breath fresheners are showing a higher rate of vitality but on a much smaller volume base. Denture adhesives are stealing the thunder from denture cleaners. Richardson-Vicks' Secure has become a leading contender in the denture adhesive category. Toothbrushes have shown sales improvement in both periods, with gains of 4.7 percent and 2.4 percent recorded.

Between the August and September periods some of the momentum was lost in the proprietary remedy product group, with the overall gain rate slipping from 6.2 percent to 3.7 percent. The high volume cold tablet category, however, enjoyed brisk sales, rising 10.3 percent in August and 13.3 percent in September. To a large extent, the gains have been coming from the proprietary entries of the primarily ethical drug companies such as Burroughs Wellcome and Schering-Plough. New products have helped to expand the internal analgesic category, and, eye care products can be counted on to provide a high rate of growth as contact lens items proliferate. During the periods under study, the rates of gain were 24.1 percent and 20.0 percent. Appetite suppressant sales were down 3.4 percent in August but ahead 1.4 percent in September.

A nick in sales

The shaving needs product group shows no bright spots at the category level of measurement. Shaving cream volume showed losses of 5.6 percent and 6.8 percent, but some of this decline can be attributed to consumers stocking up on two-for-one deal merchandise earlier in the year. Unit volume of razor blades showed drops of 4.0 percent and 8.1 percent, while razor sets, with smaller units sales, drifted lower 11.0 percent and 12.1 percent for August and September, respectively. To round out the negative trend emphasis in this product group, there was downward movement in both the pre-shave and after-shave lotion categories.

Although there were minus trends in four out of five categories of skin care aids in August and three out of five in September, as of mid-month, the overall trend picture looked promising. The one category with consecutive periods of gain was suntan lotion-suntan oil, where gains of 17.7 percent and 19.4 percent were registered. The other bright spot is among hand and body creams and lotions where a loss rate of two percent in August was followed by a gain of 8.5 percent as of September.

However, the loss situation worsened in the cosmetic and medicated skin care aids category from -2.9 percent to -6.9 percent. The net of these changes is a reduction of the loss rate for the skin care aids product group from 4.8 percent in August to one percent in the period ending September 14.

Our October and November, 1984 reporting periods will be trended against HBA all-category growth rates of 4.3 percent and 5.1 percent in the corresponding year ago periods. As noted by SAMI and other sources of new product tracking, 1984 HBA launchings are trailing the 1983 rates, especially for new innovative products that tend to expand category volume rather than simply cannibalize the sales of existing brands. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

	% CHANGE VS. YEAR AGO		
PRODUCT GROUP AND CATEGORY	**4 WEEKS ENDING 7/20/84**	**4 WEEKS ENDING 8/17/84**	**4 WEEKS ENDING 9/14/84**
BABY NEEDS	**+ 1.0%**	**- 2.9**	**- 0.6%**
Baby Powders	+ 2.3	- 8.9	- 5.5
Baby Oils, Creams & Lotions	- 0.7	- 2.1	- 2.3
Infant Clothes	+ 3.5	- 4.4	- 2.4
Nursing Supplies	+ 1.5	+ 0.4	+ 4.6
DEODORANTS	**+ 2.0%**	**+ 3.4%**	**± 0.0%**
Sprays	- 4.2	+ 0.1	- 4.2
Roll-On	+ 12.2	+ 13.5	+ 1.8
Stick Deodorants & Pads	+ 0.9	+ 2.5	+ 5.4
Creams	- 15.1	- 11.9	- 12.5
Deodorants & Talcum Powders	- 3.1	- 13.0	- 14.3
Feminine Hygiene Deodorants	- 20.2	- 15.0	- 11.3
Foot Deodorants & Athlete's Foot Remedies	+ 5.2	+ 0.5	- 0.5
Feminine Douches	+ 4.5	+ 2.2	± 0.0
FIRST AID	**+ 2.2%**	**+ 1.2%**	**+ 0.3%**
Antiseptics	+ 2.3	+ 7.4	- 0.7
First Aid Products	+ 2.1	- 0.7	+ 0.6
HAIR CARE NEEDS	**+ 2.8%**	**+ 3.2%**	**+ 12.1%**
Shampoos	- 1.3	+ 0.6	+ 13.6
Hair Sprays	+ 7.7	+ 5.4	+ 8.7
Hair Conditioning Rinses	± 0.0	- 2.1	+ 5.5
Hair Setting Needs	+ 365.1	+ 449.5	+ 439.3
Home Permanent Kits	- 0.7	- 2.7	- 16.4
Hair Coloring	- 1.0	- 6.8	- 5.7
Hair Dressing Needs	+ 1.1	- 0.2	- 1.8
ORAL HYGIENE	**+ 13.9%**	**- 5.6%**	**- 4.5%**
Toothpastes & Powders	- 21.3	- 10.2	- 8.1
Mouthwashes	+ 4.9	+ 2.7	+ 2.1
Breath Fresheners	+ 7.7	+ 8.5	+ 9.6
Denture Cleaners	- 7.3	- 10.6	- 8.4
Denture Adhesives	+ 11.6	+ 11.7	+ 7.8
Toothbrushes	- 0.4	+ 4.7	+ 2.4
PROPRIETARY REMEDIES	**+ 5.6%**	**+ 6.2%**	**+ 3.7%**
Antacids	+ 1.9	+ 4.2	+ 2.7
Internal Analgesics	+ 9.8	+ 13.4	+ 6.9
External Analgesics	+ 6.3	- 0.3	+ 0.3
Cold Tablets	+ 5.6	+ 10.3	+ 13.3
Nasal Sprays—Drops—Inhalers	- 4.6	- 4.3	- 0.3
Chest Rubs	+ 0.4	+ 2.2	- 0.4
Cough Remedies	+ 3.8	- 5.1	- 0.8
Laxatives	- 2.0	+ 0.2	- 2.1
Sleeping Aids	+ 10.2	+ 9.9	+ 10.4
Tranquilizers	- 14.6	- 16.0	- 19.9
Vitamins	- 5.0	- 1.2	- 12.4
Eye Care Products	+ 22.8	+ 24.1	+ 20.0
Appetite Suppressants	+ 9.4	- 3.4	+ 1.4
SHAVING NEEDS	**- 5.2%**	**- 4.4%**	**- 7.7%**
Shaving Creams	- 8.7	- 5.6	- 6.8
Pre-Shave Lotions	- 6.3	- 4.3	- 5.6
After-Shave Lotions	+ 2.4	- 2.9	- 7.0
Razor Blades	- 4.5	- 4.0	- 8.1
Razors & Blades	- 6.9	- 11.0	- 12.1
SKIN CARE AIDS	**- 2.1%**	**- 4.8%**	**- 1.0%**
Hand & Body Creams & Lotions	+ 0.5	- 2.0	+ 8.3
Facial Preparations	- 11.4	- 14.2	- 7.9
Lip Care Products	- 8.6	- 11.0	- 4.0
Suntan Lotions & Oils	+ 3.2	+ 17.7	+ 19.4
Cosmetic & Medicated Skin Aids	+ 1.9	- 2.9	- 6.9
TOTAL ALL CATEGORIES	**- 1.4%**	**+ 0.7%**	**+ 1.6%**

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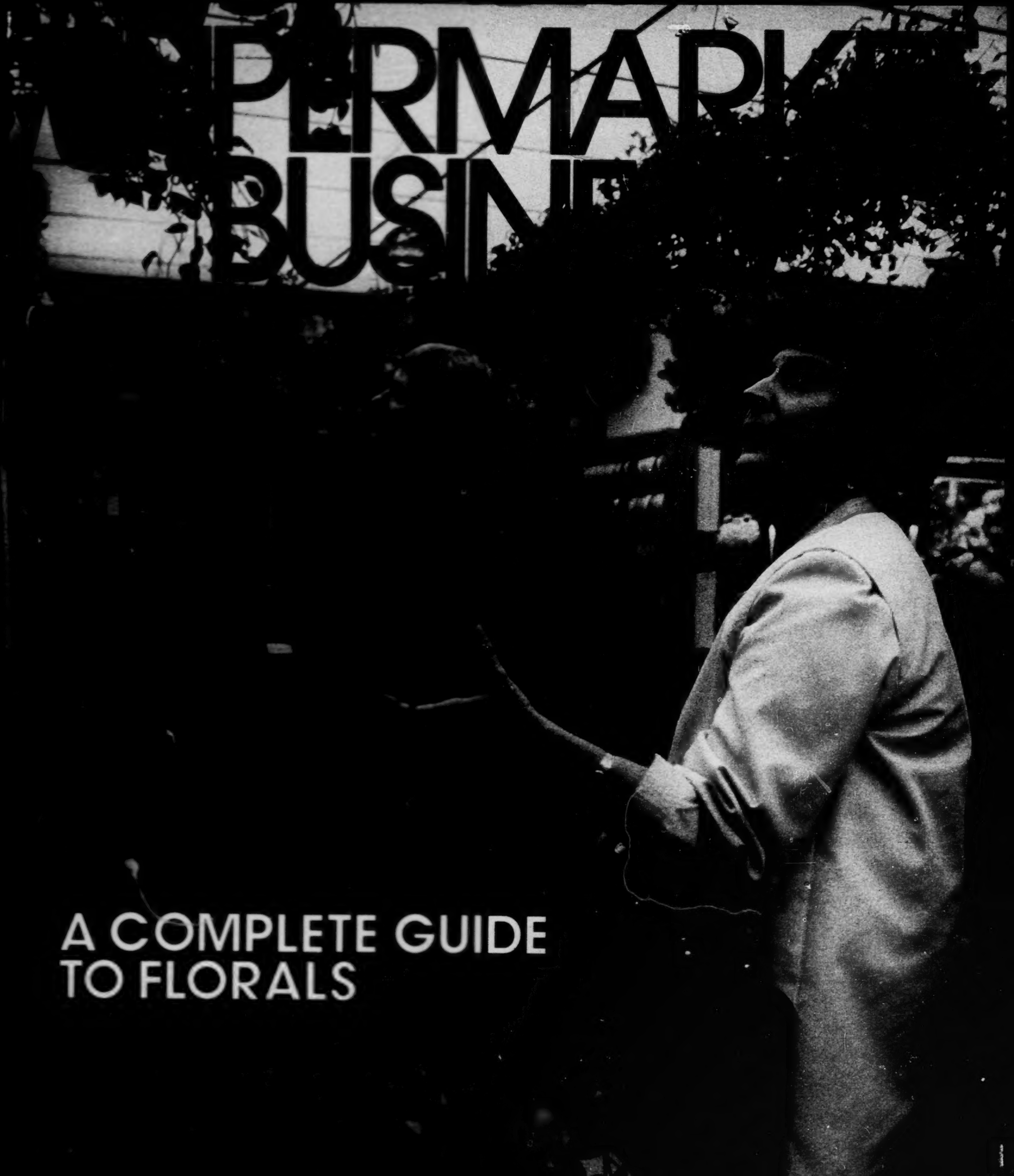

A COMPLETE GUIDE
TO FLORALS

SUPERMARKET BUSINESS

VOLUME 39
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PAGE 21

MARKETS IN FLUX: SHOOTOUT IN KEENE, N.H.

Keene, N.H., is like a lot of pretty New England towns. But what's happening there isn't pretty. In this small area, there's been quite a struggle for the food dollar. There are two new super warehouse stores on the scene, three old stores down, and probably more to go.

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A COMPLETE GUIDE TO FLORALS

Some supermarket shoppers—and some supermarkets—view the floral department as a neglected offspring of produce. But florals are beginning to come into their own, and the supermarket is the perfect place for an explosion in floral sales. Supermarket employees can't know the answer to everything—but they can at least try. Here, we have provided information and merchandising tips that should be of value to every floral department—regardless of size. This desk reference floral guide should be a long-lasting and invaluable sales tool.

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CIGARETTES: HOW THE ROLE OF DISTRIBUTORS IS CHANGING

In order to satisfy 99 percent of cigarette smokers, you have to carry a formidable 168 packings. Multiply this by the number of tax jurisdictions that a grocery warehouse services, and there's an explosion in the number of SKUs to be accommodated. Small wonder that many warehouses are restricting their order books to the fastest movers. They then send smoke signals to local tobacco distributors to "fill in" with an assortment of fringe brands. Result: a full, fresh, demographically attuned selection.

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NONFOODS BUSINESS: WHAT SUPERMARKETS HAVE DONE WITH FUN IN THE SUN PRODUCTS

The length of the selling season for sun care products varies from region to region, but it's still a growing season. And now supermarket operators and manufacturers are beginning to take advantage of people's willingness to care more for their skin year-round—whether on sunny ski slopes or the blazing beaches of the subtropics. Sun care needn't be restricted to just a few months a year. Here's a look at what some operators are doing to broaden the category.

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NonFoods BUSINESS

SAMI UPDATE:

October Sales Fail to Match 1983 Growth Rate

BY ALAN MILLER, JR.

At first blush, the 1.5 percent gain in unit sales of HBA items measured by SAMI in food stores for the period ending October 12 is less than impressive. However, when the increase is considered in light of the high year-ago base resulting from a 4.3 percent jump in the corresponding 1982 period, the current trend is not as ho-hum as would otherwise be the case. The 1.5 percent increment for the reporting period ending 10/12/84 is the same as for frozen foods, weakened by frozen orange juice concentrate consumer demand resulting from scarcity and high prices as an aftermath to the Christmas 1983 Florida freeze. It is a higher rate of gain than the one percent tonnage improvement in dry grocery food volume, but trails the unit sales increase of 21 percent for dry grocery nonfood products during the same 28 day reporting period. In the combined HBA categories tracked by SAMI, the 52-week trend now stands at +2.5 percent while the 12-week trend is +1.3 percent.

During the current four-week period under study, there were gains in five out of eight product groups. The highest rate of gain for a product group was 7.6 percent for hair care needs. On the downside was shaving needs where the unit loss was 4.8 percent. This ratio represents an improvement over the preceding period in September when there were five product groups in the minus column. There was also a slight gain in the gain/loss ratio on a product category basis, with 23 out of 50 recording gains vs. 21 during the prior period. The new mousse hair styling products have contributed to a unit increase of 413 percent for hair care setting needs vs. the corresponding year ago four-week period.

In the baby need HBA section of the store, SAMI tracks four product categories and as of mid-October, there was only one—nursing supplies—showing a gain, but the 5.4 percent increase in this largest volume baby needs category was sufficient to occasion a small gain of 0.6 percent for all four categories.

Five of the eight deodorant categories tracked by SAMI exhibited losing trends as compared with only two with gains—roll-ons +2.6 percent and sticks +0.1 percent and a no-change situation in the case of feminine douches. The three deodorant categories with the highest rates of loss are the same three with 52-week volume declines also—cream deodorants, deodorant and talcum powders, and feminine hygiene deodorants. There was also a decline for spray deodorants suggesting that the body deodorant entries may not be living up to sales expectations.

Volume changes were slight among first aid items with a gain of one percent even, in first aid products and a loss of 0.8 percent for first aid antiseptics.

In addition to hair setting needs, there were also four-week category gains among hair sprays (+8.0 percent), shampoo (+5.4 percent) and hair conditioning rinses (+4.0 percent). Losses were found in three hair care needs categories: home permanent kits (−13.0 percent), hair dressing needs (−1.2 percent) and hair coloring (−0.7 percent). All three of these categories have recorded downward trends over the 12-week period.

Only two out of six oral hygiene categories show loss rates: toothpaste and powders and denture cleaners, but a four-week decline of two million units among toothpastes was sufficient to bring about red ink for the entire product group to the extent of minus 2.7 percent. The dentifrice loss can be attributed to a high level of deal activity in the year ago period which was not repeated in the same period this year. During the next few months, it is expected that volume from new toothpaste pumps will liven up the category. There is no important new product activity among denture cleaners, which shows a loss of 5.1 percent, whereas new Secure has helped to expand the denture adhesive category 3.2 percent. Four-week volume for mouth washes grew 10 percent.

There are 13 product categories in SAMI's proprietary remedy product group and in the period under study there were gains in eight and losses in five. The two categories with continuing standout performance are cold tablets with a gain of 14.7 percent and eye care products, ahead 14.6 percent. The growth among cold tablets has been caused by proprietary entries of ethical drug companies such as Burroughs-Wellcome and Schering. New product activity has expanded volume in internal analgesic.

Once again, all five categories of shaving needs were trending

Continued on page 47

SUN CARE PRODUCTS

Continued from page 45

found that carrying the latest styles is essential to making the sunglass sale, and sunglass manufacturers review their lines annually, following trips to Europe and the Orient to uncover the latest sunglass trends. Says Richard Enholm, vice president of marketing at Foster Grant, "Sunglasses are probably the most important fashion accessory—and one of the most visible."

Despite recent product activity, supermarkets have, to a degree, been reluctant to jump on to the sun care bandwagon in full force. The seasonal nature of the entire category, instore space constraints and the additional problem of sunglass pilferage often work against full sun care commitment. Although suntan and sunscreen manufacturers, who—by and large—still view and promote their goods as primarily for summer use, are pleased with supermarket performance, among sunglass manufacturers, some strains of discontent are obvious.

Most sunglass suppliers believe that their product is a year-round rather than a seasonal item: Many say that the off-season months can account for 25 to 33 percent of annual sales. In addition, sunglasses are a high-impulse item. As one manufacturer says, "No one really goes into the supermarket planning to buy them. They have to be there—and be there prominently—to make the sale."

Given this view, many manufacturers are concerned that the majority of supermarketers are preventing maximization of sales by taking down sunglass displays after Labor Day weekend. The view of Opti-Ray's national sales manager, Bob O'Keefe, is representative of much of the sunglass industry: "The majority of supermarkets carry only one line. They usually treat sunglasses as a stepchild; the majority have not made a great commitment to sunglasses. Of course," he goes on to note, "there *are* exceptions," among which he counts Safeway, Alpha Beta/Skaggs and Wegmans.

Others, such as the Bonneau Co.'s marketing and sales promotion manager, David Moore, note that supermarket commitment is often a matter of store size, and, hence, available space. Moore reports that, although many stores *are* reluctant to stock sunglasses year-round, combo stores and super stores in general are more apt to do so, and also to devote more room to the category, whatever the season.

And, of course, sun care products—both suntan and sunscreen products, sunglasses and other season-related paraphernalia such as beach balls, towels and umbrellas—fare far better year-round in warmer climates where snow is a weather deviation rather than the norm.

At Smitty's Super Valu (Phoenix, Ariz.) the peak season runs a lengthy January through September. During this nine-month stint, Smitty's sundries buyer Claudia Halfmann, sets up a Sun Shop in the concourse area: the aisle between the foods and the nonfoods sections of the company's 20 stores. In the Sun Shop are sold what Halfmann terms "the basics" in sun care products, as well as sunglasses and the accompanying towels, umbrellas, picnic coolers and so forth.

For Smitty's "the basics" go far beyond what many other supermarkets carry, rivaling even many drugstores in product scope. Suntan and sunscreen items include Bain de Soleil ("probably our best seller"), nationwide best sellers Coppertone products and Johnson & Johnson's Sundown, Hawaiian Tropic, Sea & Ski, a private label as well as prepacks of Eclipse and PreSun, two sunscreens that are often recommended by dermatologists.

Sunglasses at Smitty's, two racks of Foster Grants, are given an advertising boost January through April, when they are the focus of a wave of radio and television ads created and produced by Smitty's advertising department. Halfmann echoes with experience the admonitions of sunglass manufacturers to keep abreast of current lens and frame styles. Following the successful solving of a problem with old stock in 1983, Smitty's saw sunglass sales increase by approximately 35 percent during the 1984 season.

Another sun spot with an extended peak season is, of course, Florida. Butch Hilton, vice president of supermarket operations for Miller's Supermarkets (Crescent City, Fla.) attributes at least 15-20 percent of sun product sales to visiting northerners. Although his stores carry fewer product lines than some others, they are represented year-round and regularly promoted.

On several occasions throughout the year, representatives from the various skin sun care manufacturers visit Miller's to offer potential customers samples and information. In addition, Miller's Supermarkets are located in heavy lake country, in what local residents term the "Bass Capital of the World." To lure fishing contest participants into his stores, Hilton works with both sun care and non-sun care suppliers (such as tobacco distributors) and with the parent company's (Miller Enterprises) 135 convenience stores by offering special discounts and sample packages.

Another successful ploy used by both southern as well as more northern retailers to stimulate sun care sales is the fun-in-the-sun theme promotion. At Smitty's, as at many other stores, theme ads centered upon national holidays, such as the Fourth of July and Labor Day, serve especially well to increase overall sales. The increased planned activity on the part of consumers, adds Miller's Hilton, makes these holiday-timed theme promotions especially successful.

On the suppliers' end, too, special promotions, festive, informative displays and—especially among sunglasses—new products, portend a successful season for 1985. While skin sun care product manufacturers plan to continue (with a few additions) with the lines they already have, creative merchandising/display units, typified by the highly acclaimed units provided by Hawaiian Tropic and Coppertone, should keep both consumer interest and retailer profits high.

On the sunglass front, look for somewhat more new product action. In addition to the new styles and line overhauls that have become standard, 1985 will see the launching of several major new sunglass lines.

On the fashion and style side, Bonneau will be introducing the first legal line of sunglasses to carry the Michael Jackson name. Slated for a February release, this line—individually selected by the seemingly ubiquitous star himself—is geared toward the 12–30 age bracket and has a suggested retail of $12 to $18. Says Bonneau's Moore, "He [Jackson] has been the excitement of the sunglass world—He wears them all the time!" Jackson plans to wear the new line to the Grammys and other events throughout the year.

For the less star-struck, Opti-Ray (in a licensing agreement with Plough, Inc.) will launch its line of Coppertone SunProtectors, available in 60 styles and four lens types, with a suggested retail price of $10 to $16. According to Opti-Ray's national sales manager, SunProtectors offer maximum ultraviolet protection and feature the most impact-resistant lens available. Adding that the Coppertone line "really is a sun protector rather than your traditional sunglass," O'Keefe stresses that retailers should "view it as an adjunct to any traditional program," one that is aimed toward a perhaps less frivolous, more protection-oriented consumer. ■

SAMI

Continued from page 46

downward although only in the case of razor blades is there a unit loss rate on a 52-week basis (−2.4 percent). The 10 percent loss for shaving creams compared with an atypically sharp increase (+19.9 percent) in the corresponding year-ago period. After shave lotion sales were down 7.1 percent, razor sets fell 8.9 percent and the 2.2 percent loss for razor blades was close to the annual rate decline.

Finally, in the skin care aids product group, there were negative trends for facial preparations (−4.9 percent) and cosmetic and medicated skin aids (−2.1 percent). However, sales for the product group rose 2.9 percent and this rate of gain was on top of an impressive year ago increase of 13.3 percent. The categories primarily responsible for this growth were hand and body creams/lotions (+8.6 percent) and lip care products (+6.3 percent). The rate of gain for suntan lotion and oil jumped 19.2 percent. ■

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INSTORE BUSINESS
NONFOODS BUSINESS
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VOLUME 40/NUMBER 1
JANUARY 1985

SUPER ACHIEVER
1984

1984 SUPER ACHIEVERS

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eminently memorable
and forgettable,
that shaped 1984

SUPERMARKET BUSINESS

PART ONE
OF THREE PARTS

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JANUARY 1985

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BPA ABP American Business Press Inc

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1984 SUPER ACHIEVERS HONORING EVENTS, EMINENTLY MEMORABLE AND FORGETTABLE THAT SHAPED 1984

From major mergers to minor squabbles, from Geraldine Ferraro at the supermarket to Reagan on the hustings, from quadruple coupons to turkey giveaways, from citrus cankers to EDB, it was a memorable 12 months for the industry. Here's a look at the people and events that made 1984 the year it was.

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INSTORE BUSINESS* 1985 DELI AND BAKERY MERCHANDISING PLANNER

Here's a potpourri of ideas, from cross merchandising to signing to sampling, to help you pep up your department and add promotional punch to your selling.

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THE COMPETITIVE IMPACT OF UNION GIVEBACKS

Labor/management relationships, like a market's competitive balance, can easily be upset by factors that were unforeseen even a few years ago. The resulting turmoil can continue for years, too. Here's a look at the situation in two volatile cities: Milwaukee and Pittsburgh.

PAGE 32

AT XTRA HIALEAH, THE ACCENT IS HISPANIC

Puerto Rico's largest supermarket operator is doing a booming business in its first mainland store. It's South Florida's largest by far. Xtra is big on service, and it caters to the specific needs of the Miami area's huge Hispanic population.

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THE BATTLE OF THE BOTTLE BILLS

A year after New York State passed its law requiring a deposit on most bottles, cans and containers, retailers are still feeling the impact. Some, especially those in New York City, are having a harder time than others. Meanwhile, in California, the constant threat of an enforced deposit law has been kept merely a threat through the continued efforts of retailers and industry members to work out voluntary redemption and anti-litter programs. Here, SUPERMARKET BUSINESS examines the situations in both states and looks at the implications for retailers elsewhere.

PAGE 43

SUPERWAREHOUSE STORE UNDER THE EL—$500,000 A WEEK AT BROOKLYN'S BIG R

This thriving superwarehouse store in one of the most depressed sections of New York's Williamsburgh, in Brooklyn, is testimony to the spirit of its owners and workers. The store is nothing to look at, but prices are low and quality is good. Despite the fact that many customers are poor, business is booming here. As a supervisor says, "Nothing is pretty, but it's cheap."

FACING PAGE 52

NONFOODS BUSINESS* THERE'S GOLD IN THEM THAR PILLS—HOW OVER-THE-COUNTER DRUGS ARE PANNING OUT AT SUPERMARKETS

The great number of new, non-prescription drugs on the market is proving a boon to supermarket retailers. But some drug interests want to tighten up these new OTC categories, and make them harder to get right off the supermarket shelves. For now, though, the market is thriving, and retailers are having good success with these new entries.

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AT McKEEVER'S, HARDWARE GETS A HARD SELL PAGE 10B

EDWARDS GOES 'WAREHOUSE' WITH HBA PAGE 12B

NEW PRODUCTS PAGE 16B

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BANG THE DRUM LOUDLY

The 1950's saw a new breed of salesman for the new breed of supermarket: diplomat, counselor, decision-maker and good listener. This eventually evolved into a new kind of selling, trade relations. There were quite a few of these men a few years ago. Not many are left. They will be missed, because they cannot be replaced. Four of them were recently honored at a Piggly Wiggly dinner. They are four of the industry's real Super Achievers.

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SAMI UPDATE:
HBA Sales Suffer Slightly Towards Year's End

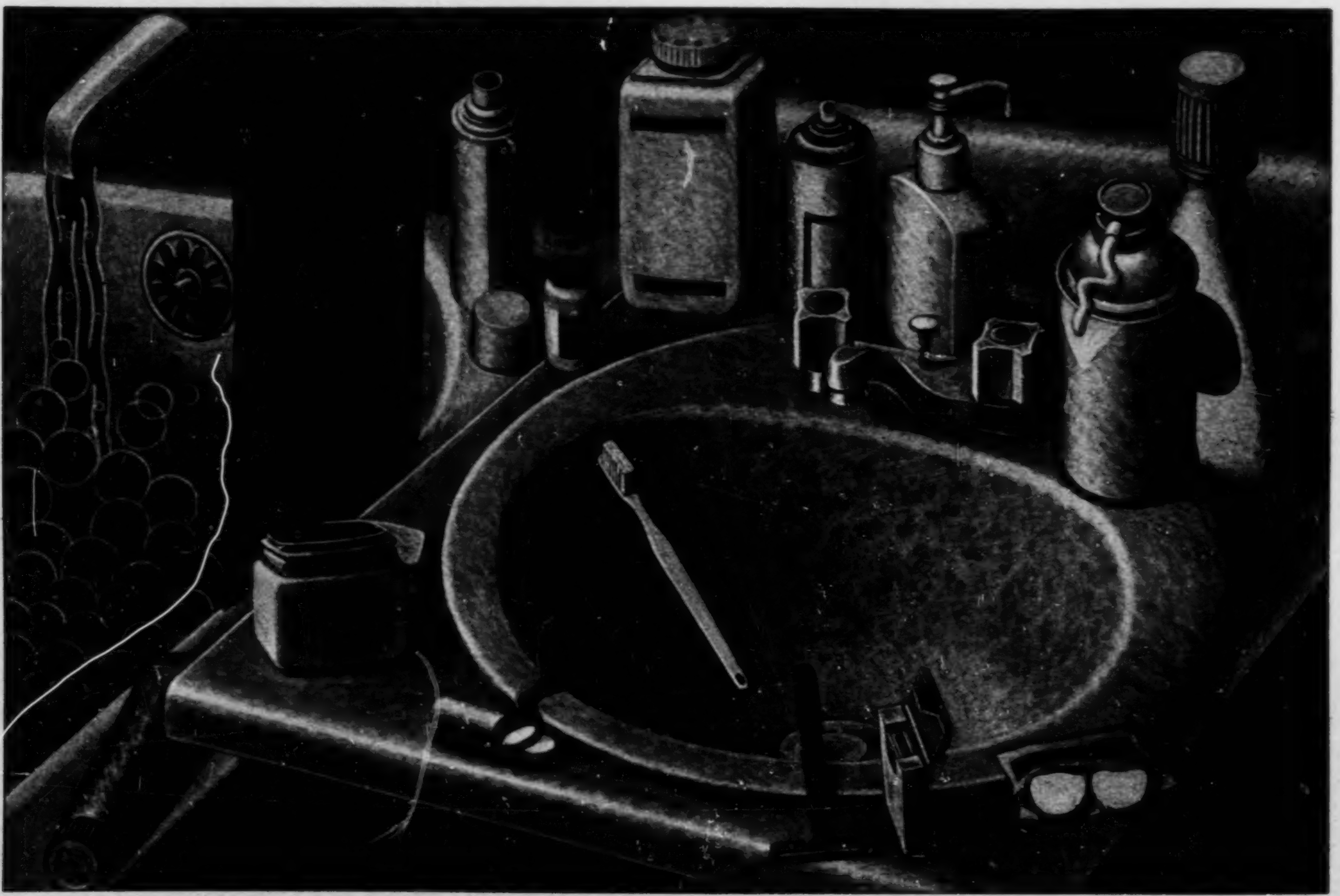
BY ALAN MILLER, JR.

Sales for the latest reporting period have not been as strong as was hoped. The loss is measured against a strong performance in 1983, but since so many categories are sharing in the overall decline, current figures are something of a disappointment.

The hoped-for 1984 year-end upturn in food store HBA sales has thus far failed to materialize. During the four-week reporting period ending November 9, unit volume in combined HBA categories tracked by SAMI lagged 1.4 percent behind the corresponding year-ago period. The loss is measured against strong performance in 1983, to be sure, but the fact that so many different categories shared in the overall decline comes as a disappointment. There were unit volume losses in six out of eight HBA product groups. The only gains were found among deodorants (+ 0.9 percent) and hair care needs (+ 5.1 percent). Losses outweighed gains on a two-to-one ratio at the product category level of measurement. Only 17 categories had four-week increases as contrasted with 33 on the negative side.

Weak trends

There are no ready explanations for the weak trends which have been continuing for several months. However, except for hair styling mousses, toothpaste pumps and new internal analgesic entries, there appears to have been a slow-down in important new product activity in 1984. And except for cold tablets, which as a category has been trending upwards, there are losses in the other proprietary cold remedy categories as the peak season for these items commences. During the comparable year-ago period, the only product group with a four-week loss rate was baby needs, and as of early November, 1983, sales gained in 30 out of 50 product categories.



The November 1984 losses in three out of four baby needs categories are on top of declines 1983 as compared with November 1982. The only plus volume in both years has been for nursing supplies, which has been trending upward consistently. The highest rate of loss in this product group was a 7.0 percent decline in the sales movement of infant clothes. Volume for baby oils, creams and lotions fell 5.6 percent during the four-weeks ending November 9, 1984, while the loss rate for baby powders was 1.2 percent, a lower decline than the 3.4 percent on an annual basis or 3.0 for the 12-week span.

There were volume declines in five of the eight categories of deodorants tracked by SAMI. However, the gains of just over 2 percent were found in the three highest volume categories: spray deodorants (+ 2.4 percent), roll-on deodorants (+ 2.3 percent) and stick deodorants and pads (+ 2.1 percent). The highest loss rates were incurred in the three categories with weakness in annual sales and for the 12-week period: cream deodorants (− 10.5 percent), feminine hygiene deodorants (− 9.9 percent) and deodorant and talcum powder (− 7.0 percent).

A small gain (+ 1.4 percent) in the unit sales movement among first aid antiseptics was offset by a decline of 5.6 percent for first aid products, so that volume in both first aid categories combined fell 4.2 percent.

The sales vitality of hair styling mousse products was sufficient to bring about a sales increment amounting to 5.1 percent for the entire hair care needs product group. There were also sales increases in the case of hair spray (+ 5.1 percent), hair coloring (+ 3.5 percent) and shampoo (+ 1.9 percent). Loss rates were found among home permanent kits (− 5.4 percent), hair conditioning rinses (− 4.0 percent) and hair dressing needs (− 4.0 percent).

There are six product categories included in SAMI's oral hygiene product group and losses and gains were split 50/50 with gains recorded for mouth wash (+ 6.4 percent), breath fresheners (+ 5.0 percent) and denture adhesives (+ 1.4 percent). In spite of new toothpaste volume resulting from the roll-out of new dentifrice pumps, the category volume fell 3.2 percent behind the year-earlier level. Losses of 2.6 percent and 5.4 percent were registered for denture cleaners and toothbrushes, respectively.

Few increases

There were only four categories of proprietary remedies exhibiting unit volume increases as contrasted with declines for nine. The pluses were found among eye care products (+ 18.7 percent) (which can be counted on for growth, period after period), sleeping aids (+ 13.5 percent), cold tablets (+ 3.9 percent) and internal analgesics (+ 2.1 percent) where the new ibuprofen brands, Advil and Nuprin, helped account for the category advance. Countering this forward movement were double-digit loss rates in six categories: tranquilizers (− 24.2 percent), chest rubs (− 15.5 percent), vitamins (− 13.4 percent), cough remedies (− 11.6 percent), appetite suppressants (− 10.9 percent) and nasal sprays-drops-inhalers (− 10.5 percent).

All five categories of shaving needs have trended downward, not only for the most recent four-weeks, but also for the 12-week interval concluding on November 9, 1984. All of the losses for the four-week period were in excess of 5 percent ranging from a high of 10.2 percent for after shave lotions to a low of 5.6 percent in the shaving creams category. The decline rate among razor blades, the highest unit volume category in this product group, was 6.2 percent and this category now shows a loss of 2.6 percent for the 52-week period.

The skin care aids product group was also the scene of unit volume attrition during the four-week period. The only gain was 10.0 percent for lip care products. Sales movement for facial preparations trended downward 13.2 percent. Sales in the highest volume category—hand and body creams-lotions—fell less than 1 percent so that the product group loss was held to 2.2 percent.

This year SAMI is treating the reporting period ending January 4, 1985 as the 1984 "year-end" period rather than the period ending in early December as in the past. Therefore, there will be two more four-week periods left in 1984 for the hoped-for year-end upturn to manifest itself. Flu weather would help the picture among proprietary remedies, but relief from new product introductions cannot be expected during the closing days of the year. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

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PART 1 OF 2 PARTS

VOLUME 40 NUMBER 2
FEBRUARY 1985

PRODUCE
What it takes to be
the best of the
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A&P'S BLACK & WHITE STORE IN LIVING COLOR
FOOD HAVEN: ANATOMY OF A FAILURE
RETAILERS REASSESS THE NATURAL FOODS MARKET

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SUPERMARKET BUSINESS

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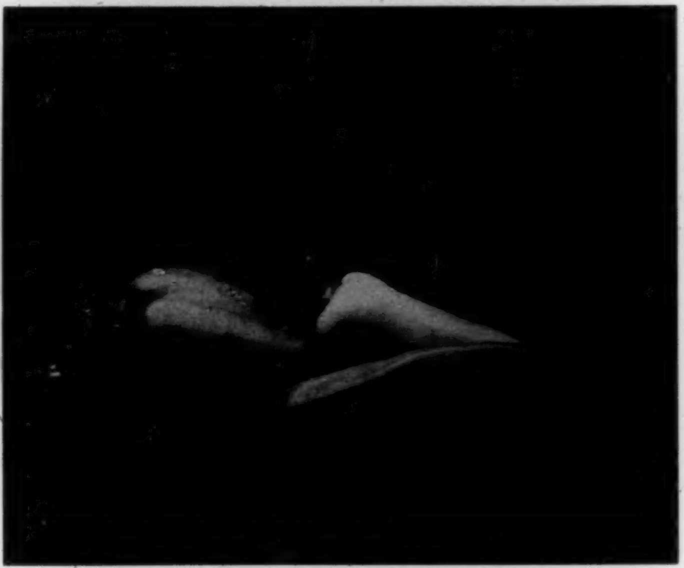
OF TWO PARTS

VOLUME 40
NUMBER 2
FEBRUARY 1985

PRODUCE: WHAT IT TAKES TO BE THE BEST OF THE BUNCH/DOUG HARRIS, SENIOR EDITOR 17

The best produce retailers have clearly defined their commitment to their product—and it's obvious to their customers. Here, we look at five of the top produce sellers around the country, and at what makes them special—and their produce operations successful.



A&P SEES THE FUTURE, AND IT'S BLACK AND WHITE 26
BOB HUGHES, MANAGING EDITOR

Here's a look, in living color, at A&P's new black-and-white Future-store, in action. For all its stark, sleek style it's a warm, friendly store that's fun to shop. And it's a success.

BIG STAR-FOOD HAVEN: ANATOMY OF A FAILURE 30
KEVIN COUPE, ASSOCIATE EDITOR

This group of West Virginia supermarkets closed down after 34 years. The problems? Labor and management difficulties, increased competition and a depressed state economy.

BUILDING SALES ON IMAGE AT BILDNER'S/KEVIN COUPE 37

At this new, upscale Boston store, image is everything—but not the only thing. Customers also shop here for traditional supermarket mix.

ROUSE'S COOKS UP A CAJUN-STYLE PROMOTION 43
MARIANNE SKOCZEK, ASSOCIATE EDITOR

This Louisiana store staged a cooking promotion in a big way by inviting noted Cajun chef, Paul Prudhomme, to tantalize shoppers.

RETAILERS REASSESS THE NATURAL FOODS MARKET 49
MARIANNE SKOCZEK

Last year, supermarketers were forced to develop new, realistic expectations for this category—and strategies to achieve them. This may have pumped some new vigor into supermarket sales.

BULK FOODS SETTLE IN/BOB HUGHES 58
Bulk foods are no longer the born-again novelty at supers. Many are fine-tuning selections and health and sanitary guidelines.

IN BIG HORN, WYO., IT'S THE QUEEN FOR A DAY 62
MARIANNE SKOCZEK

Queen Elizabeth II visited a local store on the start of hunting season.

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NonFoods BUSINESS

Cover photo:
Jerry and Nancy Palubniak

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HOW TODAY'S SERVICE MERCHANDISERS MAP OUT TODAY'S MARKETS
BY KEVIN COUPE, ASSOCIATE EDITOR
Just two years ago, service merchandisers thought they might become victims of the new, big super store formats. They thought they would be obsolete. But business is now on the upswing. Retailers have realized, says one service merchandiser, that "to remain competitive in the food area, you have to sell nonfoods."

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NONFOODS FOR ART'S SAKE: A STRONG MIX ENLIVENS ART'S FAMILY CENTER
BY DOUG HARRIS, SENIOR EDITOR
Seattle shoppers know they can find all of their food and most of their nonfoods needs at Art's Family Center. The prices are assuredly low—the store displays competing stores' prices so shoppers know that Art's has the lowest prices.

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SAMI UPDATE: HBA UNIT SALES VOLUME GAINS, BUT NOT BY MUCH
BY ALAN MILLER, JR.
It was a small gain for the most recent reporting period for HBA unit sales volume, but at least it was a gain. Especially compared to last year's 4.9 percent increase in sales volume for the same time period.

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NEW PRODUCTS
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SAMI UPDATE:

HBA Unit Sales Volume Gains, But Not By Much

BY ALAN MILLER, JR.

The gain of 1.1 percent for the most recent reporting period comes on top of a 4.9 percent increase for the corresponding period a year ago. That's a tough act to follow. But at least sales were up, if only slightly.

After incurring a loss rate of 1.4 percent during the period ending Nov. 9, 1984, unit sales in food stores for all HBA categories tracked by SAMI combined inched ahead 1.1 percent in the succeeding period that closed Dec. 7, 1984. This upward thrust, although modest, compares favorably with four-week trends in other SAMI departments. However, only refrigerated foods, with a tonnage advance of 2.8 percent, exceeded the HBA growth rate for this period. Among dry grocery: food categories a loss of 0.8 percent was registered while gains for dry grocery: nonfood and frozen foods were held to 0.1 percent and 0.3 percent, respectively.

During the preceding four-week period, national unit volume declines were found in six out of eight product groups. In the most recent reporting period, the ratio had turned around to a score of five to three product group gains over losses. At the product category measurement level, there were 22 with gains and 28 with losses, some improvement over the 17 increases and 33 declines in the preceding four weeks.

In the baby needs product group, there were two categories with unit gains: baby powders (+1.0 percent) and nursing supplies (+2.3 percent) and two more with losses: baby oils, cream & lotion (−0.3 percent) and infant clothes (−9.8 percent). The losses slightly outweighed the gains and the product group ended up with a decline of 0.1 percent.

Deodorants showed a slightly accelerated, rate of growth versus the preceding period with a gain of 2.9 percent compared with +0.9 percent. Three categories showed four-week unit loss rates but these are relatively low volume universes: deodorant and talcum powders (−12.1 percent), cream deodorants (−9.7 percent) and feminine hygiene deodorants (−9.3 percent). Five categories in the deodorant product group were on the ascendancy ranging

FUN SCREEN
SUN SCREEN
SKIN SOFTENER
THOSE ACHING MUSCLES
BENGAY
BENGA
LIPBA
D. Tilley

Drawing by Debbie Tilley

from an increase of 7.6 percent for roll-ons to gains of less than one percent in the case of spray deodorants and for foot deodorants and athlete's foot remedies.

Both first aid antiseptics (+3.1 percent) and first aid products (+0.4 percent) showed four-week plusses, and the two categories combined gained 0.9 percent in contrast with a loss of 4.2 percent during the previous reporting period.

More hair

Hair care needs showed a gain of 4.2 percent with stimulated sales activity among the new hair styling mousse products. The great majority of the two million units in the hair setting needs category sold through food stores during the four weeks ending Dec. 7, 1984 were mousse products. For the first time in several months, shampoos fell into the loss column with a 28-day dip of 1.6 percent. Hair conditioning rinses were in arrears for the second period in a row and the most recent decline rate was 4.9 percent. Among hair care needs losses were home permanent kits (−14.9 percent) and hair dressing needs (−3.1 percent). Volume from new Finesse and Atune hair sprays helped to expand this category 11.1 percent, prolonging and accelerating a growth rate for these products that commenced early on in the year.

In the oral hygiene product group, there was an overall loss of half a percent in the six categories combined, primarily as a result of weakness in the mouthwash category. Toothpaste volume is finally running ahead of the corresponding levels a year earlier. The new activity among pumps is a contributing factor behind this trend reversal, and it would appear that these new items will become even larger in the category in the months to come. There were also small rates of gain for denture adhesives (+1.6 percent) and toothbrushes (+0.8 percent), while losses occurred in the breath freshener and denture cleaner categories.

SAMI tracks volume in 13 proprietary remedy categories and although unit volume for all combined was ahead one percent there were losses in nine out of the 13. The declines were double-digit in the case of the low-volume over-the-counter tranquilizer category (−24.2 percent) and for vitamins (−11.0 percent) and appetite suppressants (−17.9 percent). Lower rates of loss were found among antacids (−2.5 percent), external analgesics and chest rubs (both −1.9 percent), cough remedies (−1.1 percent), laxatives and stool softeners (−0.7 percent) and nasal sprays, drops, inhalers (−0.5 percent). These losses were more than offset by gains for eye care products (+19.7 percent), sleeping aids (+15.8 percent), cold tablets (+6.7 percent) and internal analgesics (+5.0 percent). New product activity has expanded category volume except in the case of sleeping aids.

Dull razor

Slumping sales still plague the shaving needs category, but in the most recent reporting period at least one of the five SAMI categories shows a gain: pre-shave lotions ahead 1.8 percent. Loss rates have increased to 13.9 percent for razors and blades, 8.3 percent in the case of shaving creams and stayed at −6.2 percent for the second period in a row for the high-volume razor blade category. The loss rate for the product group as a whole was 6.3 percent, just under the 6.4 percent level seen in the prior period.

The strongest performance is found among skin care aids, where unit volume rose seven percent, a substantial improvement from the 2.2 percent loss rate as of Nov. 9, 1984. New Lip Soother, Vaseline and Jergens lip care products helped to focus attention on the category as a whole and the increase of 23.1 percent was second only to the giant gain among hair setting needs caused by hair styling mousse product proliferations. S.C. Johnson's new Curel added sales spice in the hand & body cream/lotion category which advanced 12.6 percent over the level for the corresponding year ago period. The loss of 37.9 percent for suntan lotion-suntan oil loses significance when translated into dollar volume in the late fall time of year. Volume for facial preparations lagged 9.7 percent behind year earlier, just a slight improvement over the 13.2 percent loss rate for the preceding period. Sales of cosmetic and medicated skin aids were 0.4 percent behind the year ago level, which was a strong growth interval (+7.3 percent vs. 1982).

Thus there are some signs of a rally for HBA products moving into the final weeks of 1984 and, as noted, overall food store trends for health and beauty aids products, albeit weak, are faring better than any SAMI product department except for refrigerated foods. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

SUPERMARKET BUSINESS

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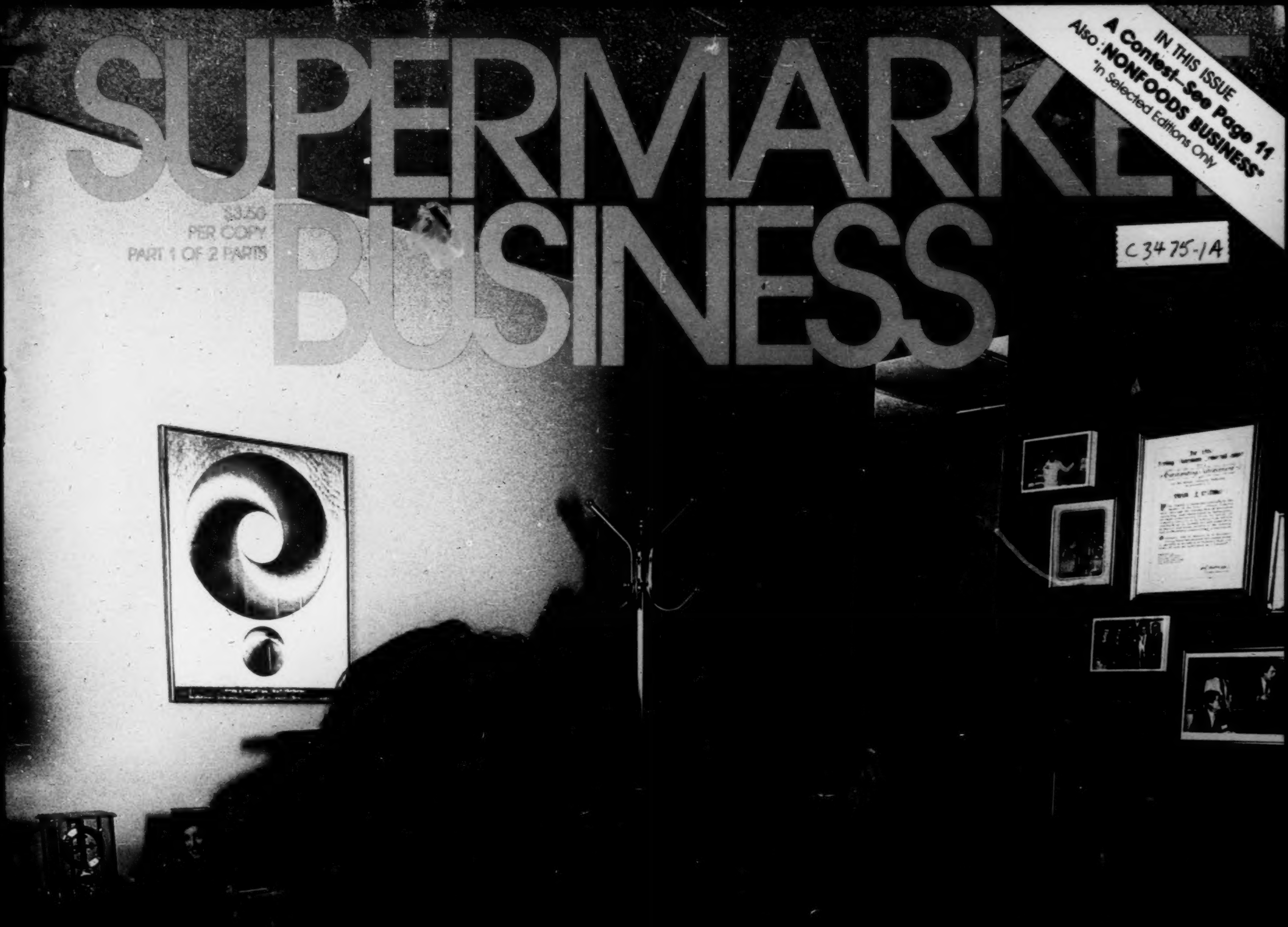

THE CHANGING
WHOLESALER/INDEPENDENT RELATIONSHIP:
WHAT MAKES A RETAILER SWITCH?

LOCAL & VOCAL: SAVANNAH'S M&M SUPER MARKETS
INVASION OF THE INSTORE ADVERTISERS

SUPERMARKET BUSINESS

PART ONE
OF TWO PARTS

VOLUME 40
NUMBER 3
MARCH 1985

THE CHANGING WHOLESALER-INDEPENDENT RELATIONSHIP WHAT MAKES A RETAILER SWITCH?/A STAFF REPORT **19**

When it comes to deciding what makes the relationship between wholesalers and their independent retailers work, it seems that both parties agree to disagree. Results of this survey reveal some surprising similarities of thought, and some startling differences in what is most important in today's competitive climate.

INVASION OF THE INSTORE ADVERTISERS **29**
KEVIN COUPE, ASSOCIATE EDITOR

There's a new breed of advertiser going into the supermarket, with aggressive new methods of garnering sales, from radio to three-dimensional pictures, that just about fall short of grabbing customers by the throat and forcing them to buy.

NONFOODS BUSINESS* **FACING PAGE 36**
DO SUPERMARKETS CARE ABOUT QUALITY IN KITCHENWARES?/MARIANNE SKOCZEK, ASSOCIATE EDITOR

The changing American kitchen, with its emphasis on convenience and bold new colors, has caught on in fine stores. But has it at supermarkets? At least a few forward-thinking supermarket operators think that a well-selected, quality kitchenwares program is worth the effort—in both image and profits.

LOCAL & VOCAL: SAVANNAH'S M&M CHAIN KEEPS THE COMPETITION AT BAY/KEVIN COUPE **39**

With an image as both price and community leader, locally owned M&M has maintained a loyal clientele—both rich and poor—despite sturdy opposition from the big boys.

CHECKOUT: POP GO THE PROFITS **48**
DOUG HARRIS, SENIOR EDITOR

Bells Bazaar in upstate New York has added freshly popped popcorn to its bulk section. It keeps the customer satisfied—and shopping.

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THE CHANGING WHOLESALER/INDEPENDENT RELATIONSHIP:

WHAT MAKES A RETAILER SWITCH?

What are wholesalers working to improve? Do retailers consider these things important? The two groups tend to agree to disagree.

The changing competitive marketplace in the retail grocery industry is causing repercussions back through the entire distribution system. How this affects the wholesaler/independent retailer relationship is becoming more and more apparent. To get a more accurate reading of this situation, SUPERMARKET BUSINESS, in cooperation with the National-American Wholesale Grocers Assn. (NAWGA), conducted a survey of both retailers and their wholesalers to gauge the *relative changes in importance* of 11 critical factors.

This survey shows that while both wholesalers and independent retailers understand the issues and the dynamics of today's problems, they do not fully agree on their relative magnitude or on priorities in dealing with them. (It should be understood that numerical, percentage and ranking responses are not infallible methods of gauging complex interconnected problems and concerns. For example, what appears to be a short-term crisis, such as super warehouse stores and super combination stores, may require long-term solutions.)

How much, then, do wholesalers and retailers agree or disagree on the changing importance of specific problems and specific needs? Independent retailers, for example, quite naturally are very concerned about competition that may threaten their very existence. On the other hand, the wholesaler may be more concerned with the directions of the market in general, since this will affect his operating future.

When asked to rate the factors that are changing in importance in the wholesaler/retailer relationship, both groups agree strongly on three:

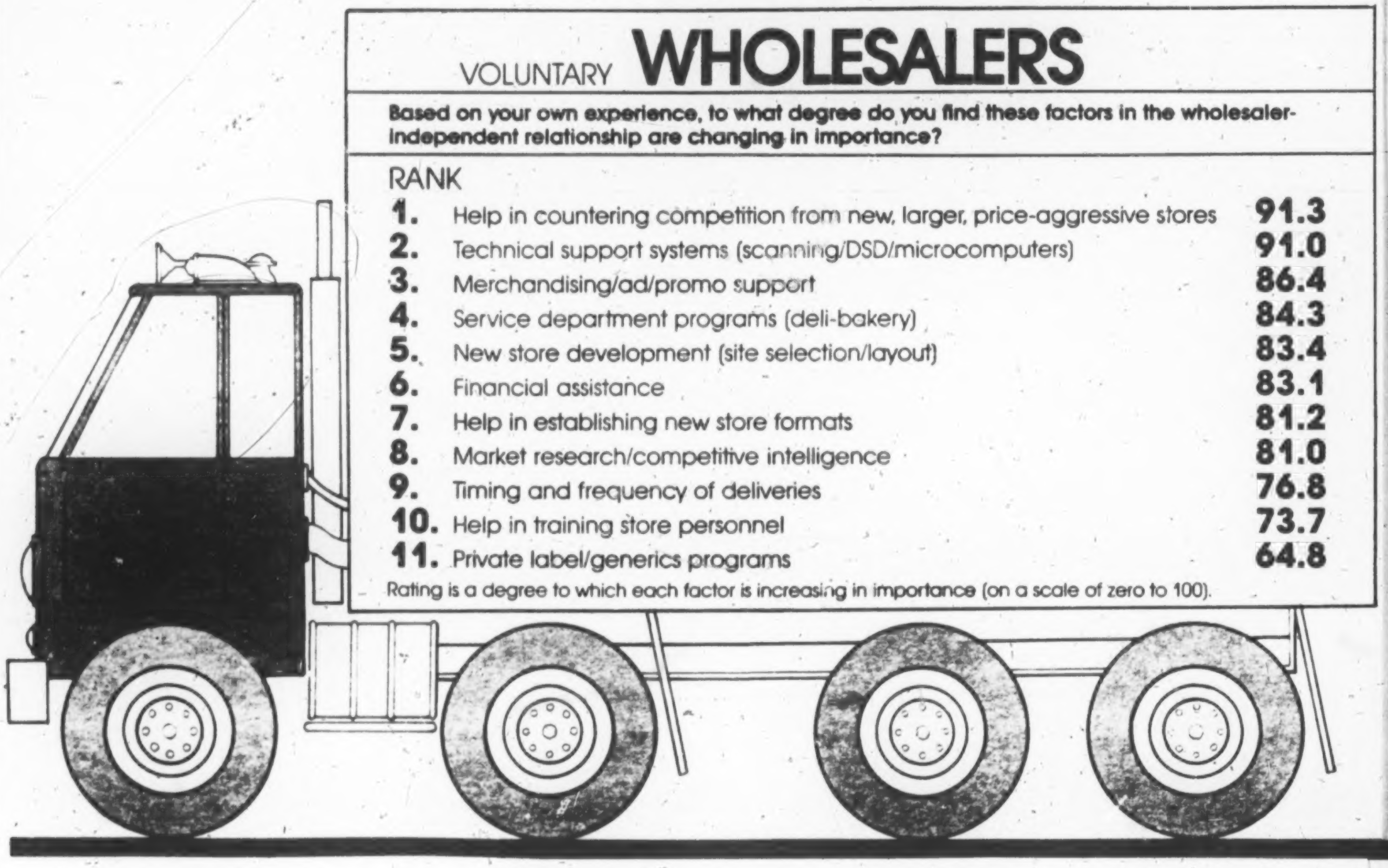
☐ Help in countering competition from new, larger, price-aggressive stores.
☐ Technical support systems (scanners/DSD/microcomputers).
☐ Merchandising/ad/promo support.

Even though the two groups do not rank these top three factors in the same order, they are so intimately connected that the order of stated importance is not necessarily critical. But it is significant that the independents rate merchandising/ad/promo support as the factor changing most in importance in the relationship. The fourth most important factor for independents is "help in establishing new store formats." This is seventh on the list for wholesalers.

"Financial assistance," which is often spoken of as high among independents' needs, is ranked tenth by independents, and sixth by wholesalers. Both groups place "private label/generics programs" last, or eleventh. Just a few years ago, this would probably have headed both lists.

Text continued on p. 22

WHAT MAKES A RETAILER SWITCH?

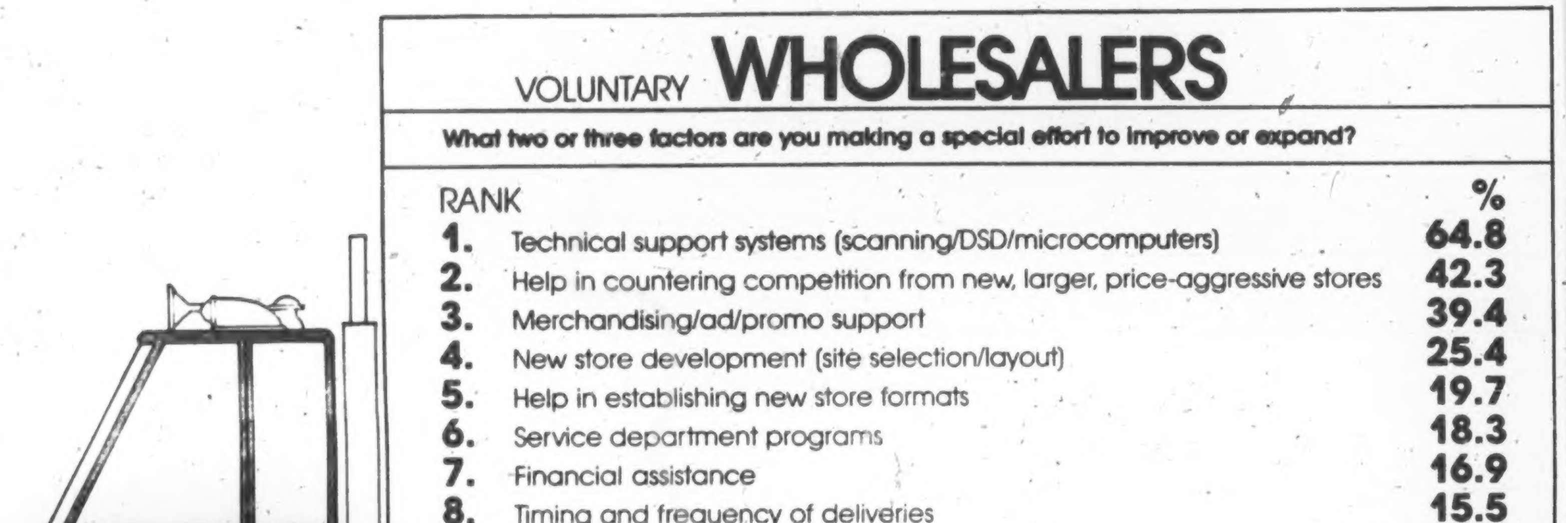


VOLUNTARY WHOLESALERS

Based on your own experience, to what degree do you find these factors in the wholesaler-independent relationship are changing in importance?

RANK		
1.	Help in countering competition from new, larger, price-aggressive stores	**91.3**
2.	Technical support systems (scanning/DSD/microcomputers)	**91.0**
3.	Merchandising/ad/promo support	**86.4**
4.	Service department programs (deli-bakery)	**84.3**
5.	New store development (site selection/layout)	**83.4**
6.	Financial assistance	**83.1**
7.	Help in establishing new store formats	**81.2**
8.	Market research/competitive intelligence	**81.0**
9.	Timing and frequency of deliveries	**76.8**
10.	Help in training store personnel	**73.7**
11.	Private label/generics programs	**64.8**

Rating is a degree to which each factor is increasing in importance (on a scale of zero to 100).



VOLUNTARY WHOLESALERS

What two or three factors are you making a special effort to improve or expand?

RANK		%
1.	Technical support systems (scanning/DSD/microcomputers)	**64.8**
2.	Help in countering competition from new, larger, price-aggressive stores	**42.3**
3.	Merchandising/ad/promo support	**39.4**
4.	New store development (site selection/layout)	**25.4**
5.	Help in establishing new store formats	**19.7**
6.	Service department programs	**18.3**
7.	Financial assistance	**16.9**
8.	Timing and frequency of deliveries	**15.5**
9.	Market research/competitive intelligence	**15.5**
10.	Private label/generics programs	**14.1**
11.	Help in training store personnel	**11.3**

Drawings by Al Hering

SUPER

INDEPENDENTS VOLUNTARY AFFILIATION

Based on your own experience, to what degree do you find these factors in the wholesaler-independent relationship are changing in importance?

RANK		
1.	Merchandising/ad/promo support	81.5
2.	Technical support systems (scanning/DSD/microcomputers)	81.5
3.	Help in countering competition from new, larger, price-aggressive stores	79.8
4.	Help in establishing new store formats	78.6
5.	Market research/competitive intelligence	76.6
6.	Service department programs (deli-bakery)	75.9
7.	New store development (site selection/layout)	75.6
8.	Timing and frequency of deliveries	74.2
9.	Help in training store personnel	70.0
10.	Financial assistance	67.4
11.	Private label/generics programs	56.3

Rating is a degree to which each factor is increasing in importance (on a scale of zero to 100).

FOOD
CENTER

Independents and wholesalers agree on the changing importance of the first three items listed in the two charts above, although each group places a different emphasis on them. There are some big differences in what wholesalers and retailers think, however: while many wholesalers consider financial assistance fairly important, independents place it near the bottom of their list. Note that both groups place little emphasis on the importance now of private label/generics programs, which a few years ago would probably have been near the top of both lists.

SUPER

INDEPENDENTS VOLUNTARY AFFILIATION

What two or three factors are most likely to influence you to independently change wholesalers?

RANK		%
1.	Help in countering competition from new, larger, price-aggressive stores	58.8
2.	Merchandising/ad/promo support	38.8
3.	Timing and frequency of deliveries	21.2
4.	Financial assistance	20.0
5.	Technical support systems (scanning/DSD/microcomputers)	19.4
6.	Market research/competitive intelligence	17.6
7.	Help in establishing new store formats	15.6
8.	New store development (site selection/layout)	13.3
9.	Private label/generics programs	8.5
10.	Service department programs (deli-bakery)	7.3
11.	Help in training store personnel	3.0

FOOD
CENTER

There is some correlation—but not much—between what wholesalers are trying to improve and what would cause independent retailers to switch wholesalers. Independents consider a wholesaler's aid in countering aggressive competition to be of primary importance. Wholesalers list this as second. Wholesalers' first choice for improvement—technical support systems—gets a fairly modest ranking from independents. And where independents place a great deal of importance on timing and frequency of deliveries, wholesalers, to judge by their ranking of this, seem to think everything is under control.

Continued from page 19

Wholesalers also name areas in which they are making a special effort to improve. As a counterpoint, retailers list what factors would most likely influence them to change wholesalers. There are some wide differences in relative importance.

Wholesalers report that the factor that most are making an effort to improve is "technical support systems," cited by almost 65 percent. But retailers rate this relatively low as a factor that would cause them to change wholesalers. Larger store operators (those with a single store doing over $5 million annually) named this nearly three times as often as smaller store operators.

What would really make the operators switch are "help in countering competition from larger, price-agressive stores" (58.8 percent), and "merchandising/ad/promo support" (38.8 percent).

"Timing and frequency of deliveries," and "financial assistance" are rated about equally high by independents, but relatively low by wholesalers as factors that might make an independent switch.

The questionnaire also included some open-ended questions, whose responses have been quantified:

"Other than those mentioned, what areas are becoming more critical in the wholesaler/independent relationship?"

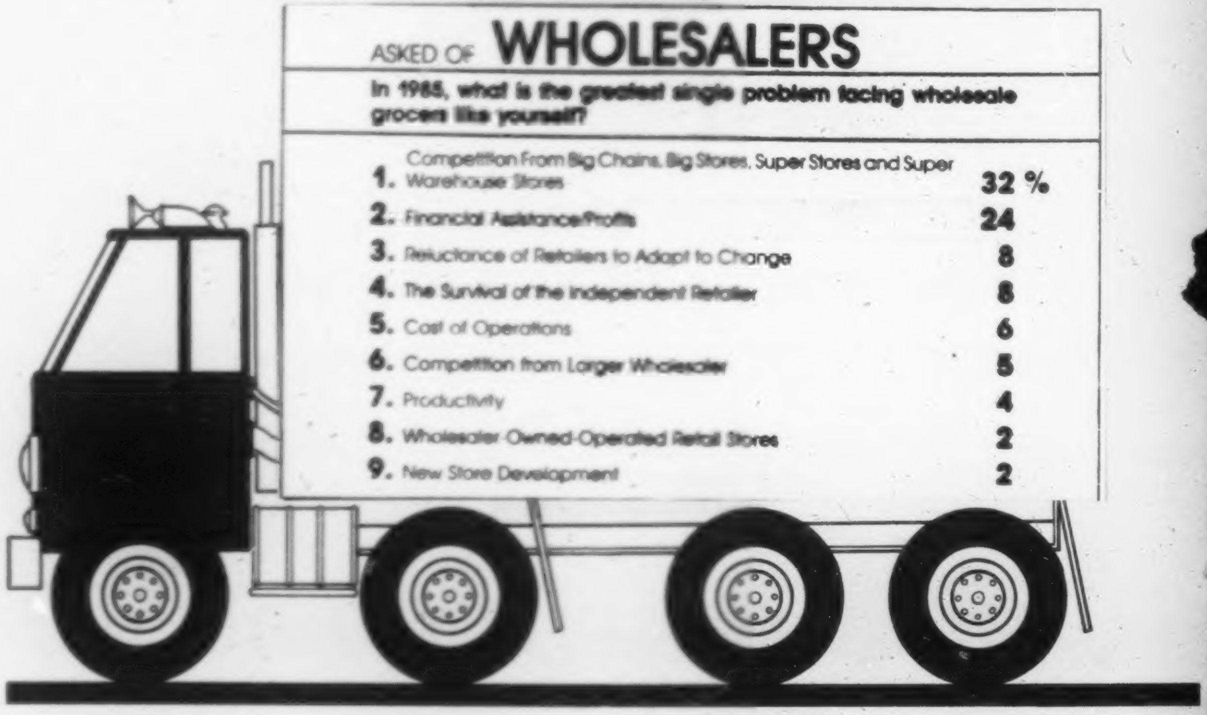
"What is the greatest single problem or threat facing independents (wholesalers) in 1985?" Wholesalers also give their opinions on what makes an independent operator switch wholesalers.

Retailers most often cite prices and costs as factors becoming more critical in the wholesaler/independent relationship. "Personal relations, service and communications" are listed next. While wholesalers confirm that prices and costs and the quality of personal relations could turn independents away from them, they place a comparatively greater premium on lack of leadership in developing full-service programs as a potential turnoff for independents. Retailers, on the whole, are much more interested in service levels, out-of-stocks and merchandising/ad/promo support.

Responses to the question about "the single greatest problem or threat" facing independent grocers, or facing wholesalers, in 1985 reveal new insights into how independent retailers and wholesalers feel about the present and the future of independent grocery retailing and grocery wholesaling.

Topping both lists is "competition from big chains, big stores (both super and super warehouse)." Nearly half of all independent retailers mention that this kind of competition is their biggest threat, while 32 percent of wholesalers mention the same problem. Sales, profits and financial problems quite naturally follow in

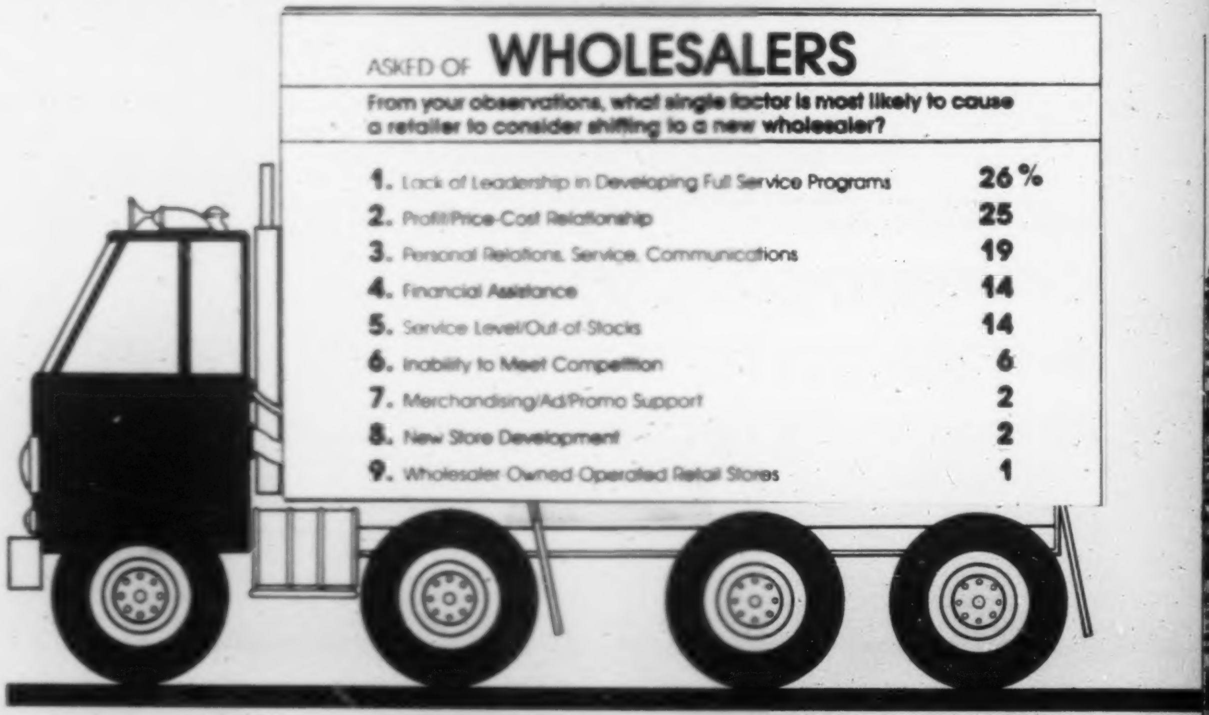
Replies tally more than 100% since some respondents gave more than one answer



ASKED OF **WHOLESALERS**

In 1985, what is the greatest single problem facing wholesale grocers like yourself?

1.	Competition From Big Chains, Big Stores, Super Stores and Super Warehouse Stores	32 %
2.	Financial Assistance/Profits	24
3.	Reluctance of Retailers to Adapt to Change	8
4.	The Survival of the Independent Retailer	8
5.	Cost of Operations	6
6.	Competition from Larger Wholesaler	5
7.	Productivity	4
8.	Wholesaler-Owned-Operated Retail Stores	2
9.	New Store Development	2



ASKED OF **WHOLESALERS**

From your observations, what single factor is most likely to cause a retailer to consider shifting to a new wholesaler?

1.	Lack of Leadership in Developing Full Service Programs	26 %
2.	Profit/Price-Cost Relationship	25
3.	Personal Relations, Service, Communications	19
4.	Financial Assistance	14
5.	Service Level/Out-of-Stocks	14
6.	Inability to Meet Competition	6
7.	Merchandising/Ad/Promo Support	2
8.	New Store Development	2
9.	Wholesaler-Owned-Operated Retail Stores	1

importance for both groups. Third on the list of wholesaler responses is a very serious problem, and one that will probably require considerable study: the reluctance of retailers to adapt to change. This is followed by concern for the actual survival of the independent retailer.

The wholesaler clearly understands that his base of retail customers is threatened. Yet both groups also agree that there is even greater need for improved communications and personal service than ever. ■

In the SUPERMARKET BUSINESS/NAWGA survey reported on here, 438 questionnaires were mailed to the NAWGA membership and a 19.6 percent response was received. In the mailings to 1,485 independents, a 19.7 percent response was received, including 102 members of voluntaries, 162 members of co-ops, and 28 unaffiliated independents. Replies of independents were further classified as, at store of receivership, those under $5 million and those over $5 million in annual sales.

SUPER

ASKED OF **RETAILERS**

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

1.	Competition From Big Chains, Big Stores, Super Stores and Super Warehouse Stores	**49 %**
2.	[illegible]	**11**
3.	Financial Assistance	**6**
4.	[illegible]	**4**
5.	Union/Labor Problems	**3**
6.	[illegible]	**3**
7.	Wholesaler-Owned-Operated Retail Stores	**2**
8.	[illegible]	**1**

Overwhelmingly, retailers and wholesalers agree that the biggest problem facing them is competition from large chains and super stores. The two groups also agree on the problem of solvency and financial assistance. Wholesalers note that one problem that concerns them and, ultimately, their customers, is the reluctance of retailers to adapt to change. Retailers, for their part, do not mention this here.

SUPER

ASKED OF **RETAILERS**

What areas do you find becoming more critical in the wholesaler-independent relationship?

1.	Profit/Price-Cost Relationship	**21 %**
2.	[illegible]	**17**
3.	Service Level/Out-of-Stocks	**10**
4.	[illegible]	**10**
5.	Inability to Meet Competition	**9**
6.	[illegible]	**7**
7.	Financial Assistance	**4**
8.	[illegible]	**2**
9.	New Store Development	**2**

There is a great disagreement here on what wholesalers and retailers think is the most critical part of their relationship. Wholesalers say that a lack of leadership in developing service programs would lead retailers to switch. But retailers, judging from these results, don't value that as highly as profit/price/cost relationships and personal relations and communications. Wholesalers also consider these important.

QUOTES

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

"Too much competition. The problem for us is managing to survive with the expanding competition. In my area, there's been a lot of new construction of warehouse stores. We're fairly close to Akron, where there's a price war going on. What can you do? Try to run a clean store, keep our prices as low as we can, try to cater to the customer with service. The wholesaler can help to an extent—can provide us with different buys—but when the competition's selling everything at half of what you're selling it for, it's tough.

"We're surviving. In fact, our sales are up. But you're going down Main Street, doing fine, and they get you in some side street. In our immediate area, there's a 50,000-square-foot warehouse store, a 50,000-square-foot combo store, and we're sitting here with a 36,000-square-foot store. Two years ago, a 24,000-square-foot Fazio's went out of business and then reopened as an independent. They went bankrupt. An IGA closed. A new Kroger closed after one year. Around here, business moves fast."

—A retailer in Ohio

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"Credit problems. We're constantly having to help finance. For example, if we have a good customer who's been with us 20 years, and he wants to sell his business and retire, most frequently we have to help someone buy him out. So we're up to our neck with a lot of credit from situations like that. We try to go through a bank where we can, but sometimes we have to make the loan here at the warehouse."

—A wholesaler in Arkansas

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

"Competition from the chain stores. We've got one chain pushing its 10,000 everyday low prices; two other chains now also are advertising 10,000 everyday low prices. We're really getting the squeeze put on us.

"All of the fun has gone out of it. You don't mind putting up with the headaches and the disappointments when you're making a little money, but I tell you, when the money gets to be just passing through here it just gets plain on your mind.

"When you're kind of small to start with, it's kind of hard to fight them off. My wholesaler is pretty good sized, but it doesn't have the buying power of these big boys."

—A retailer in North Carolina

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"Lack of capital to assist retailers with larger stores. I just can't see why all these big businesses are slushing their money in here, because it's breaking all the little ones, or they're pulling out and not fighting it."

—A wholesaler in Arkansas

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"Insufficient finances. In our size of operation, it's hard for us to get the financing to do what we have to do and it's also hard for our customers to get the financing to do what they have to do."

—A wholesaler in West Virginia

In 1985, what is the greatest single problem or threat facing independent operators like yourself?

"Super warehouse stores. We were affiliated with a wholesaler as an independent, and we had six stores in the area. Then they chose to go off on a different tangent and build their own stores. So now, I have three stores and we are no longer affiliated with that wholesaler."

—A retailer in Wisconsin

In 1985, what is the greatest single problem or threat facing wholesale grocers like yourself?

"The area economy and changing store formats. Our members can't keep up with the overall trend toward larger stores and more warehouse stores. As for the area economy, we depend very heavily on agriculture in our marketing area, and the economy in this area is probably trending behind the economy nationally. Though interest rates are coming down, farmers are still hard hit. People are more price-conscious. Retailers are under pressure to offer greater ad markdowns and to increase sales."

—A wholesaler in Kansas

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"The wholesaler's personal contact with the stores is more and more important today. With the economy in the position it's been in the last few years, smaller independents, which don't have a large number of stores, have a harder and harder time being able to keep up with modern supermarket technology. In terms of financing, there's less room for air. Larger stores and chain stores come in and spend millions of dollars, which we don't have.

"You need a good wholesaler-retailer relationship to develop new programs. If you don't work together, the independent will become a thing of the past. You'll wake up one day and find you're out of business.

"In addition, the wholesaler should fill the individual store's needs as far as advertising. That's the independent's number one expense after labor, which we are able to keep below that of most of the chains.

"Retailers also need seminars on how to initiate new programs—produce, meat, deli—which are becoming big. We need our wholesalers to come into the store and discover our needs on an individual basis. Do you need more space for such an item? Should you carry a particular product line?

"I have two wholesalers, the best of two worlds. One is a small, independent, family-owned operation. The other is much larger. The large one has a tremendous amount of programs that can help the independent. They don't furnish quite the personal contact the independent wholesaler gives us. Wholesalers really can help you to keep up to date.

"In our town there's not too much competition. But we're near to larger towns and there's a four-lane highway that goes right past us. We have to keep ahead. We've added on to the store two times, added a deli-bake, bought property around us. There are many other small businesses around town that have died. This means that we have to serve our customers not just from a grocery standpoint but in terms of many other areas. This should be the wholesaler's number one priority: they must not just supply you with product, but with all the other programs that you need to keep in business."

—A retailer in Indiana

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Complacency. Retailers don't want to do anything on their own. They really don't want to initiate anything. They want to wait things out, thinking it will get better. We have one retailer who isn't really lazy, but he doesn't come to our seminars—he just doesn't join in. But he's been lucky. He's just in the right location, where a competitor hasn't come in and beat the heck out of him. He does have a competitor, but fortunately, he's lazy too. He could decide to change things and end up being number one."

—A wholesaler in North Dakota

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"The personal touch is almost gone. They switch personnel around constantly. You just learn to know who the field reps are and they'll switch them someplace else. They switch the department heads, the buyers. Part of it is aggressiveness, and part of it is some reason I don't know. I remember the days when you really got to know the people from the wholesale house."

—A retailer in Indiana

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"It is important to provide retail accounting services, inventory services, price file services and computer backup. These are the services that retailers need, but they often don't have the ability or the dollars to do for themselves. Both service and pricing are important, but price is becoming less important.

"The problem of apathy is big. On the West Coast, there are very few independents left. More and more, it's just the big chains. And there is a lot of apathy on the part of independents. To a great degree, the independents are not aware of everything that is going on in the trade. Their business is just a cash cow, and they are milking it until it is dry. Instead of trying to perpetuate the business, they are simply selling it and disappearing. These businesses are not being passed on to a new generation.

"We're trying to fight this apathy. But the odds are against us."

—A wholesaler in California

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Programs for the good of employees. I'd like to see programs like insurance and retirement plans—that's what I think it will take to keep employees."

—A retailer in Tennessee

You can have all the service programs you want, says a wholesaler, but if retailers aren't making profits—they're going to switch.

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Help and training in the area of employee development and personnel policies. This is coming from two facets. First, we're dealing with larger independent stores now than we used to, and they have anywhere from 40 to 80 employees. The needs of these kinds of operations are different (from those before). And a lot of these independent retailers have grown up from small stores and they run into trouble. They need to know how to develop good employees, good department managers, good store managers. Five years ago, we were running seminars on how to control your labor and how to control your costs. Well, we're still running those, but we're also running programs on how to train checkers and stock people, and a whole range of supervisory training programs.

"Second, there have been changes in the way the law looks at employer-employee relationships, and the retailers need to know what they can do and what they cannot do. We help them develop policies and develop personnel policy manuals that deal with such things as sexual harassment. The business is larger now, and it is much more complicated."

—A wholesaler in Montana

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Treating the independent as a customer. Instead of being a customer to the warehouse or supplier, we're considered a pest (when we call to correct an error). How do we treat our customers at the retail level? That's how we should be treated at the wholesale level."

—A retailer in Minnesota

What single factor is most likely to cause a retailer to consider shifting to a new wholesaler?

"Our philosophy is that we are in a service business. We have to be service-oriented toward our customer and we have to be faster than ever before. Price is an important commodity these days, but service often gets lost in the shuffle. We know that it is extremely important for our customers to be able to say, 'They take care of you.' Too often doing business today is cold and abrupt."

—A wholesaler in Wisconsin

What areas do you find are becoming more critical in the wholesaler-independent relationship?

"Assistance from a good sales service rep. I used to be a district manager with Safeway, and I was used to their type of operation. I feel that the wholesalers, with all their resources, could give us a better idea of what's new and different.

"This town is out away from anything of any size. You can get stranded out here and lose touch with anything that's going on. That's the kind of touch I like from a sales service rep—someone who'll keep you informed. We don't see many brokers or manufacturer's reps out here, so we have to rely on the sales service rep to keep us abreast of what's happening."

—A retailer in Kansas

What single factor is most likely to cause a retailer to consider shifting to a new wholesaler?

"Outs and deliveries. If the retailers are not getting the product, they're out of business. High outs and not getting product when he wants are very upsetting to a retailer."

—A wholesaler in Arkansas ■

SAMI UPDATE:

HBA Sales in 1984 Sluggish, But There's Hope for the New Year

BY ALAN MILLER, JR.

It wasn't a banner year for HBA products in 1984, although volume rose a little bit. It seems 1983 was a tough year to follow. The new year should do better.

It seems as if we have been pulling down the curtain on 1984 for ages, but now that we have the SAMI figures for the period ending Jan. 4, 1985, this will be the last time we will bid adieu to a year that did not continue the bullish HBA trends we witnessed in 1983. In all 50 HBA categories measured by SAMI combined, 52-week unit volume through food stores rose 1.5 percent, thanks to volume recorded early in the year, but there were losses of 0.1 percent for the 12-week interval and 0.2 percent for the 28-day reporting period, which included four days in the new year.

The minimal loss in the four-week period should be compared to trends in other product departments. The performance of health and beauty aids products is not all that bad, since four-week unit volume fell 0.4 percent for dry grocery: nonfood 2.7 percent for dry grocery: food and 1.3 percent for frozen foods—or a loss of 1.6 percent for all product departments combined. The only gain was registered by refrigerated foods, which enjoyed a unit volume increase of 1.4 percent. So the picture isn't so bleak after all for HBA items, and we all know that misery loves company.

The reasons for general weakness in food store sales are not clear-cut. The fact that many consumers are paying more for high-priced items and buying less of commodity goods may help to explain some of the tonnage losses. In addition, there has been an increase in out-of-home eating for two years, and this may have resulted in fewer trips to food stores and less impulse purchases of a wide variety of products. The favorable economic climate we have been enjoying of late may have been responsible for greater purchase selectivity.

Getting back to the study of HBA unit volume trends during the reporting period ending Jan. 4, 1985, we see that gains and losses by product group are evenly matched. There were four with gains: deodorants (+2.9 percent), first aid (+1.3 percent), hair care needs (+4.6 percent), and proprietary remedies (+1.9 percent). At this category level of measurement, the score is 21 plusses and 29 with minus volume compared with the corresponding period a year ago. The highest growth rate once again came from hair setting needs, as hair styling mousse products continued to proliferate and flourish.

Another perennial winner is the eye care products category, where the continuing growth of contact lens products, in particular, has expanded the category consistently and the current four-week rate of increase was 20.8 percent. The only other double-digit gain rates came from hair sprays (+15.0 per-

1985
PUFFS
BABY WIPES
24 DISPOSABLE DIAPERS
AL HERING

Drawings by Al Hering

cent), breath fresheners (+13.8 percent) and sleeping aids (+12.8 percent). There were eight categories with four-week unit sales declines in excess of 10 percent, but in some cases these losses occurred in small volume categories such as proprietary tranquilizers (−20.6 percent), razors and blades (−11.1 percent) and suntan lotion-suntan oil (−29.0 percent).

In the baby needs product group, the only gain was a 4.8 percent jump for nursing supplies, which has had increased volume as a result of sales increases for the Gerber Nuk line. On the other hand, volume of infant clothes fell 10.9 percent and there was a loss of 8.4 percent for baby oils, creams & lotions.

Sticks up

Among deodorant categories there were four with gains and four with losses, but as a result of a jump of 9.9 percent in the highest volume category—stick deodorants and pads—the gains outweighed the losses and the product group as a whole was able to accomplish an increase amounting to 2.9 percent. The growth among stick deodorants came at the expense of creams (−8.0 percent), deodorant and talcum powders (−9.1 percent) and sprays (−1.2 percent).

In the first aid product group, both categories exhibited growth: 5.8 percent in the case of antiseptics and 0.3 percent for first aid products.

The strongest growth of any HBA product group was found among hair care needs, which rose 4.6 percent. This upward thrust was aided by the upsurge of 539 percent contributed by hair styling mousse products and an increase of 15.0 percent for hair sprays, aided by the national roll-out of Finesse and the introduction of Atune by Helene Curtis. There was a decline of 13.5 percent for home permanent kits and a loss of 2.2 percent for the high-volume shampoo category.

The only plus sign recorded in the oral hygiene product group was an increase of 13.8 percent for breath fresheners. Due to the limited size of this category, the gain does not lead to many additional sales dollars. Sales of toothpaste and powder continue to falter in spite of important inroads made by the pump dispensers. Toothbrush volume fell 7.0 percent while losses of lesser magnitude were seen in the case of denture cleaners (−2.6 percent), denture adhesives (−2.1 percent) and mouth wash—off 1.3 percent.

Proprietary remedies

Sales of proprietary remedies returned to the plus column due to vitality among cold tablets (+5.7 percent), sleeping aids (+12.8 percent) and eye care products (+20.8 percent). There were gains of 2.8 percent for cough remedies, reversing a period of sales declines, and internal analgesics remained strong as a result of performances by three new entries, Advil, Nuprin, and Encaprin. The only loss of any consequence was a 24.4 percent decline for appetite suppressants. This loss may be attributable to cannibalization by diet foods such as the Carnation weight reduction plan and a wide variety of sugar-free food products.

The shaving needs product group continues to be weak, and in the current four-week period the only gain was 5.9 percent in the relatively low volume pre-shave lotion category. The loss rate amounted to 29.3 percent for shaving creams and this fall-off can be attributed, at least in part, to the two-for-one deals by Edge earlier in the year. Razor blade unit volume fell 6.7 percent and there was a loss of 3.5 percent in this category on a 52-week basis. Sales of razor sets declined 11.1 percent, continuing poor performance as a result of an absence of important new product activity in this category.

Finally, we note that there is weakness in the skin care aids product group. Currently only one category—facial preparations shows a loss on an annual basis. In the four-week period under scrutiny, the only gain was evidenced in the cosmetic and medicated skin aids category where the increase was 0.9 percent, or less than one percent. The 10.7 percent loss for lip care products reverses a favorable trend that caused a 12-week gain of 5.1 percent and a 7.8 percent improvement for the full year. A negative trend reversal was also found among hand-body creams & lotions, where the gain of 1.6 percent for 12-weeks and 6.7 percent for 52-weeks has now turned to a loss of 6.6 percent in the four week interval.

That wraps up 1984. The negative trends seen in the final months of the year will help make gains in the comparable 1985 reporting periods easier to come by. 1983 *was a* tough act to follow, as things turned out. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 11/9/84	4 WEEKS ENDING 12/7/84	4 WEEKS ENDING 1/4/85
BABY NEEDS	− 2.0%	− 0.1%	− 3.1%
Baby Powders	− 1.2	+ 0.1	− 0.6
Baby Oils, Creams & Lotions	− 5.6	− 0.3	− 8.4
Infant Clothes	− 7.0	− 9.8	− 10.9
Nursing Supplies	+ 2.9	+ 2.8	+ 4.8
DEODORANTS	+ 0.9%	+ 2.9%	+ 2.9%
Sprays	+ 2.4	+ 0.6	− 1.2
Roll-On	+ 2.3	+ 7.6	+ 1.0
Stick Deodorants & Pads	+ 2.1	+ 4.5	+ 9.9
Creams	− 10.5	− 9.7	− 8.0
Deodorants & Talcum Powders	− 7.0	− 12.1	− 9.1
Feminine Hygiene Deodorants	− 9.9	− 9.3	− 6.8
Foot Deodorants & Athlete's Foot Remedies	− 3.4	+ 0.5	+ 5.4
Feminine Douches	− 1.8	+ 1.1	+ 2.4
FIRST AID	− 4.2%	+ 0.9%	+ 1.3%
Antiseptics	+ 1.4	+ 3.1	+ 5.8
First Aid Products	− 5.6	+ 0.4	+ 0.3
HAIR CARE NEEDS	+ 5.1%	+ 4.2%	+ 4.6%
Shampoos	+ 1.9	− 1.6	− 2.2
Hair Sprays	+ 5.1	+ 11.1	+ 15.0
Hair Conditioning Rinses	− 4.0	− 4.9	− 3.2
Hair Setting Needs	+ 571.3	+ 622.9	+ 538.7
Home Permanent Kits	− 5.4	− 14.9	− 13.5
Hair Coloring	+ 3.5	+ 0.8	+ 0.3
Hair Dressing Needs	− 4.0	− 3.1	+ 1.3
ORAL HYGIENE	− 1.7%	− 0.5%	− 2.4%
Toothpastes & Powders	− 3.2	+ 0.2	− 1.9
Mouthwashes	+ 6.4	− 4.2	− 1.3
Breath Fresheners	+ 5.0	− 1.1	+ 13.8
Denture Cleaners	− 2.6	− 1.7	− 2.6
Denture Adhesives	+ 1.4	+ 1.6	− 2.1
Toothbrushes	− 5.4	+ 0.8	− 7.0
PROPRIETARY REMEDIES	− 3.2%	+ 1.0%	+ 1.9%
Antacids	+ 2.0	− 2.5	+ 0.1
Internal Analgesics	+ 2.1	+ 5.0	+ 3.1
External Analgesics	− 5.6	− 1.9	− 3.0
Cold Tablets	+ 3.9	+ 6.7	+ 5.7
Nasal Sprays—Drops—Inhalers	− 10.5	− 0.5	+ 1.1
Chest Rubs	− 15.5	− 1.9	− 2.9
Cough Remedies	− 11.6	− 1.1	+ 2.8
Laxatives	− 0.1	− 0.7	− 0.5
Sleeping Aids	+ 13.5	+ 15.8	+ 12.8
Tranquilizers	− 24.2	− 24.2	− 20.6
Vitamins	− 13.4	− 11.0	− 9.6
Eye Care Products	+ 18.7	+ 19.7	+ 20.8
Appetite Suppressants	− 10.9	− 17.9	− 24.4
SHAVING NEEDS	− 6.4%	− 6.3%	− 12.9%
Shaving Creams	− 5.6	− 8.3	− 29.3
Pre-Shave Lotions	− 6.1	+ 1.8	+ 5.9
After-Shave Lotions	− 10.2	− 1.4	− 0.8
Razor Blades	− 6.2	− 6.2	− 6.7
Razors & Blades	− 10.1	− 13.9	− 11.1
SKIN CARE AIDS	− 2.2%	+ 7.0%	− 6.5%
Hand & Body Creams & Lotions	− 0.7	+ 12.6	− 6.6
Facial Preparations	− 13.2	− 9.7	− 8.8
Lip Care Products	+ 10.0	+ 23.1	− 10.7
Suntan Lotions & Oils	− 7.0	− 37.9	− 29.0
Cosmetic & Medicated Skin Aids	− 2.7	− 0.4	+ 0.9
TOTAL ALL CATEGORIES	− 1.4%	+ 1.1%	− 0.2%

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The city of Atlanta was built for an invasion of super stores, what with its good, and growing, highway system and its expanding population. Some people call Atlanta "a hotbed of non-price competition." Maybe the opening of Cub Foods in May will light a fuse under this market.

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This new Foodtown in Toms River, N.J., is giving its customers just what they want: service departments, brand-name specials and a small-town "family" feeling, all in a 74,000 square foot facility.

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BPA ABP American Business Press Inc

The new image is a high-tech design that uses dramatic graphics and a red-and-white color scheme to create a sense of warmth.

Safeway Puts On a New Face This Year

OAKLAND Calif.—One hundred Safeway stores, both new and old, are putting on a new face during 1985.

The chain, with 2,012 Safeway stores in the United States and Canada, will begin a massive design and fabrication project which is aimed at refurbishing not just the chain's physical presence, but it's psychological image in consumers' minds.

"We are trying to deviate from the old type of supermarket interior," said Earl Amis, head of Safeway's design services section. "We want a contemporary interior, one that will project the kind of image that we believe will be good for our operators and our customers." Amis said that the 100 stores featuring the new image in 1985 will be an undetermined combination of new stores and remodelings; the extent the chain will go to in remodeling its entire fleet of stores is undecided at this time, he said.

The new Safeway image will be based largely on a pilot design project the chain instituted during 1984 in five stores—four in Canada, one in Albuquerque, N.M. While those five stores are warehouse stores, the 1985 plans are to take the essentials of their design and "gear the concept down" for smaller store types, according to Patricia L. Missad, vice president of design for Jarob Design, Inc., the Grand Rapids, Mich.-based graphic design and manufacturing company contracted to develop and implement the new design package.

A new image.

"We are endeavoring to give Safeway a whole new environment and a whole new image that will gear attention to the merchandise," said Missad. "They want to let people know that they are not the stodgy old Safeway, and they want to get back to the leading edge of the market."

The leading edge—as Safeway defines it and as Missad interprets it—is a new high-tech design that uses dramatic graphics and a red-and-white color scheme to create a sense of warmth. "It is not so high-tech that it is forbidding," said Missad. "It has a lot of warmth and is real comfortable."

The stores feature a continuous photo mural that circles the top of the store, with pictures appropriate to perimeter departments. Ceilings are dark, in many cases with ductwork showing to present the image of a warehouse store. Missad said that Safeway is beefing up its service departments, with service deli, meat and fish departments, plus scratch bakeries and pharmacies, wherever possible. ■

FMI Will Hold Conferences On Warehouses, Deli/Bakeries

WASHINGTON—As part of its ongoing member education program, the Food Marketing Institute (FMI) has announced agendas for two upcoming events.

April 9-10 in Milwaukee, Wis., FMI will conduct its annual two-day conference focusing on trends and developments, site selection, buying strategies and other areas of warehouse store operations. The conference is designed for both owners and representatives of companies that are either considering or already operating a warehouse store and those that are competing with a warehouse store. Scheduled speakers include: Vince Little, president and CEO of Roundy's, Inc. (Milwaukee); John Lightfoot, editor of Supermarket Insights; Tom Stemberg, marketing consultant; Jim Sheridan, president of Sheridan's ShopRite (Milwaukee) and Victor DeStefani, president of Vic's IGA Market (Sacramento, Calif.).

The Supermarket Deli/Bakery Merchandising Workshop will be held June 3-4 in Cincinnati in conjunction with the International Deli/Bakery Assn. Workshops are designed for deli/bakery department managers, regional merchandisers, store managers, corporate deli/bakery management personnel and independent owner/operators.

For further information on either or both events, contact Karen Ribler, Education Manager, FMI, 1750 K St., N.W., Washington, D.C. 20006. ■

New Product Introductions Average Two Per Day

NEW YORK—New product introductions by food manufacturers have averaged almost two-per-day during the past five years, according to a new report.

The grand total of 3,342 new food products introduced since 1980 reflects an average of 1.8 product introductions per day, with the leading manufacturer, The Campbell Soup Company, bringing out 334 of them, at an average of more than one a week.

The study, compiled by Dancer Fitzgerald Sample/New Product News, counted all new items, line extensions and new flavors or varieties either tested or introduced by the nation's 20 top food product companies during the past five years, according to Martin J. Friedman, editor of DFS/New Product News.

Among the other companies with a high number of product introductions were Nestle with 293 products, General Foods with 279, Beatrice with 234, and Dart & Kraft with 206 new products.

"Most of the companies had one or more $100-million-plus sales successes—Campbell's Prego Spaghetti Sauce, and Le Menu Frozen Dinners; Nestle's Lean Cuisine; General Foods' Pudding Pops, for instance," Friedman said.

"New products continue to represent a challenge to the food companies, but with potential rewards at multi-million-dollar sales levels, we should see no slackening in new product efforts by both the big and small food manufacturers." ■

NEW FOODS REPORTED IN NEW PRODUCT NEWS 1980-1984

	1980	1981	1982	1983	1984	TOTAL
1. Campbell Soup	54	21	77	90	92	334
2. Nestle	86	59	52	33	63	293
3. General Foods	41	59	42	49	88	279
4. Beatrice	20	48	49	79	38	234
5. Dart & Kraft	28	28	48	22	80	206
6. Consolidated Foods	32	48	41	20	49	190
7. Lever/Lipton	29	13	35	72	41	190
8. Pillsbury	35	25	32	43	53	188
9. General Mills	26	26	47	25	51	175
10. H.J. Heinz	32	26	34	27	51	170
11. Borden	15	25	44	35	47	166
12. IC Industries	7	19	30	28	57	141
13. Nabisco Brands	32	18	13	44	33	140
14. R. J. Reynolds	40	14	10	29	32	125
15. Quaker Oats	19	17	21	39	20	116
16. ConAgra	29	12	21	33	19	114
17. Ralston-Purina	13	15	16	15	38	97
18. Kellogg	7	20	22	18	11	78
19. Coca Cola	11	5	19	10	12	57
20. Pepsi Cola	4	7	10	27	1	49
	560	505	663	738	876	3,342

Minyard Expands in Dallas

DALLAS—Minyard Food Stores has opened the second of "at least five" new stores scheduled for 1985, in Pantego, in the Dallas-Fort Worth area. Geared toward middle to high income shoppers, the 46,000-plus-square-foot super combo store features seven full service departments and banking services via the second Fidelity Savings Money Store opened exclusively through Minyard.

"We're going in with everything and the best," claimed J.L. Williams, executive vice president and general manager of Minyard. Best, in this case, includes a 45-item salad bar—featuring such items as popcorn shrimp, soups, hearts of palm and crabmeat—a 178-item bulk and natural foods department and service fish, cheese, deli/bakery and pharmacy sections. The store also includes a service cosmetics department, a new area for Minyard.

Stores planned for 1985 include both Minyard super combos, similar to the Pantego store, and Sack 'N Save superwarehouse stores.

SAMI UPDATE:

HBA Food Store Volume Recovers From Year-End Lethargy

BY ALAN MILLER, JR.

The closing days of 1984 witnessed soft sales in food stores pretty much across the board, including health and beauty aids items, which fell 0.2 percent in the 28-day reporting period that brought the curtain down on the old year. The new year started off on the right track, however, with unit volume rising in all five SAMI product departments during January. The increase in national unit sales of 3.8 percent was second only to the 4.4 percent gain rate for refrigerated foods, in which sales of high volume juice and drink categories continue to soar upward. The turn-around performance behind health and beauty aids sold through food stores represents the strongest showing for these items in many months. Furthermore, the 3.8 percent increase in all 50 HBA categories combined, tracked by SAMI, comes on top of a 2.6 percent gain in January 1984, compared with the preceding year.

Five out of eight HBA product groups registered gains in four-week unit sales movement. Proprietary remedies set the pace among advances with a jump of 9.2 percent. Hair care needs recorded an increase amounting to 5.2 percent. Of the three product groups recording negative trends, the continuing decline of 5.1 percent for shaving needs is the only loss with consistent weakness. This trend may be reversed when Gillette introduces a new razor, as has been reported.

At the category measurement level, there were 28 advances and 22 declines which compares favorably with a score of 21 plusses and 29 negatives in the preceding four-week period. Triple-digit growth is still seen in the hair selling needs category, where the hair styling mousse items are proliferating and flourishing. All four categories of cough and cold products enjoyed double-digit growth rates, led by cold tablets, with an upward thrust of 20.4 percent, and cough remedies forging forward 18.1 percent, or almost enough to bring about an annual sales increase in this beleaguered category. On the loss side of the ledger, the most significant downward trends among high volume categories were found among appetite suppressants (−15.9 percent), spray deodorants (−10.7 percent) and shaving creams (−10.6 percent).

Baby needs

The baby needs product group is still running in arrears, although the loss rate for both the 52-week and four-week period is a miniscule 0.1 percent.

There are eight categories in SAMI's deodorant product group, and they were evenly divided from a plus and minus standpoint. The 10.7 percent loss for spray deodorants reflects competition from stick deodorants and antiperspirants, which now enjoy a commanding lead in number of units sold. Four-week sales of stick deodorants amounted to nearly eight million as compared with 5.1 million for sprays, which formerly held the number one spot. Unit volume declines of less than one percent occurred to cream deodorants and deodorant/talcum powder, while sales fell 7.1 percent among the low-volume feminine hygiene deodorant entries. There was a strong increase of 6.3 percent for feminine douches and a rise of 5.4 percent for foot deodorants and athlete's foot remedies. The deodorant product group as a whole showed a four-week gain of 3.0 percent.

Hair loss

There was only one category of hair care needs with a four-week loss rate, but unfortunately the decline occurred in the shampoo section, which had the second highest four-week unit sales rate of any of SAMI's HBA categories, second only to toothpaste and powder. The block-buster sales gain of 439.7 percent for hair setting needs will assume more modest proportions during the spring months, when year-ago sales of hair styling mousse products will be included in the base period. Hair sprays (+8.6 percent) continued to trend upward although not at the 15.0 percent gain rate observed during the preceding four-week period. Hair conditioning rinses moved back into the plus column with an advance of 1.4 percent and the same was true of home permanent kits, where a four-week gain contrasts with a loss on a 12- or 52-week interval basis.

In spite of the fact that pump toothpastes and gels now account for more than five percent of annual dollar volume, the toothpaste and powder category still has not emerged from the doldrums created when consumers filled their medicine cabinets with deal merchandise. (The same phenomenon is found in the shaving cream category.) However, mouthwash volume is now on a forward-moving streak and gains are also found among breath fresheners (+9.4 percent) and denture adhesives (+1.2 percent).

Cough up

As a result of the impact of strong performance for the cold and flu products, sales of proprietary remedies advanced 9.2 percent and the ratio of category gains to losses stood at nine to four. Part of the drop among appetite suppressants can be attributed to growth among diet products in food categories, particularly such items as the Carnation Do-It-Yourself Diet plan which competes directly with diet products in pill or capsule form. Vitamins continue on a losing streak and the four-week loss rate of 7.3 percent compares with a dip of 9.2 percent for 12 weeks or five percent for the full year. In addition to the cold remedies, there was good sales progress among sleeping aids (+12.9 percent) and internal analgesics (+6.0 percent).

The shaving needs product group remains a trouble spot among health and beauty aids. The only gain during the four and 12 weeks ending Feb. 1, 1985 was for pre-shave lotions. After shave lotions fell 6.3 percent, but there were lower rates of decline in the four weeks versus 12 in the case of shaving creams, razor blades and razors and blades.

Finally, the skin care aids product group enjoyed predominantly favorable sales patterns, particularly lip care products, where new items helped to increase the size of the category 9.7 percent during the four-week period. Facial preparation sales continue to be soft and suntan lotion/oil sales were sharply off, but on a minute volume base during the mid-winter period.

All in all, the year was off to a healthy start in more categories than not. What is needed now in order to assure a profitable 1985 is a little momentum to get things really moving onward and upward. ■

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HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 12/7/84	4 WEEKS ENDING 1/4/85	4 WEEKS ENDING 2/1/85
BABY NEEDS	− 0.1%	− 3.1%	− 0.1%
Baby Powders	+ 0.1	− 0.6	− 1.6
Baby Oils, Creams & Lotions	− 0.3	− 8.4	− 2.7
Infant Clothes	− 9.8	−10.9	− 5.4
Nursing Supplies	+ 2.8	+ 4.8	+ 6.0
DEODORANTS	+ 2.9%	+ 2.9%	+ 3.0%
Sprays	+ 0.6	− 1.2	−10.7
Roll-Ons	+ 7.6	+ 1.0	+ 2.0
Stick Deodorants & Pads	+ 4.5	+ 9.9	+14.7
Creams	− 9.7	− 8.0	− 0.6
Deodorants & Talcum Powders	−12.1	− 9.1	− 0.8
Feminine Hygiene Deodorants	− 9.3	− 6.8	− 7.1
Foot Deodorants & Athlete's Foot Remedies	+ 0.5	+ 5.4	+ 5.4
Feminine Douches	+ 1.1	+ 2.4	+ 6.3
FIRST AID	+ 0.9%	+ 1.3%	+ 1.2%
Antiseptics	+ 3.1	+ 5.8	+ 9.2
First Aid Products	+ 0.4	+ 0.3	− 0.6
HAIR CARE NEEDS	+ 4.2%	+ 4.6%	+ 5.2%
Shampoos	− 1.6	− 2.2	− 1.2
Hair Sprays	+11.1	+15.0	+ 8.6
Hair Conditioning Rinses	− 4.9	− 3.2	+ 1.4
Hair Setting Needs	+622.9	+538.7	+439.7
Home Permanent Kits	−14.9	−13.5	+ 3.3
Hair Coloring	+ 0.8	+ 0.3	+ 0.3
Hair Dressing Needs	− 3.1	+ 1.3	+ 1.5
ORAL HYGIENE	− 0.5%	− 2.4%	− 1.9%
Toothpastes & Powders	+ 0.2	− 1.9	− 3.0
Mouthwashes	− 4.2	− 1.3	+ 3.6
Breath Fresheners	− 1.1	+13.8	+ 9.4
Denture Cleaners	− 1.7	− 2.6	− 7.5
Denture Adhesives	+ 1.6	− 2.1	+ 1.2
Toothbrushes	+ 0.8	− 7.0	− 2.5
PROPRIETARY REMEDIES	+ 1.0%	+ 1.9%	+ 9.2%
Antacids	− 2.5	+ 0.1	+ 2.4
Internal Analgesics	+ 5.0	+ 3.1	+ 6.0
External Analgesics	− 1.9	− 3.0	− 2.6
Cold Tablets	+ 6.7	+ 5.7	+20.4
Nasal Sprays—Drops—Inhalers	− 0.5	+ 1.1	+11.4
Chest Rubs	− 1.9	− 2.9	+14.4
Cough Remedies	− 1.1	+ 2.8	+18.1
Laxatives	− 0.7	− 0.5	+ 4.3
Sleeping Aids	+15.8	+12.8	+12.9
Tranquilizers	−24.2	−20.6	−22.7
Vitamins	−11.0	− 9.6	− 7.3
Eye Care Products	+19.7	+20.8	+23.1
Appetite Suppressants	−17.9	−24.4	−15.9
SHAVING NEEDS	− 6.3%	−12.9%	− 5.1%
Shaving Creams	− 8.3	−29.3	−10.6
Pre-Shave Lotions	+ 1.8	+ 5.9	+ 2.1
After-Shave Lotions	− 1.4	− 0.8	− 6.2
Razor Blades	− 6.2	− 6.7	− 2.7
Razors & Blades	−13.9	−11.1	− 8.2
SKIN CARE AIDS	+ 7.0%	− 6.5%	+ 1.6%
Hand & Body Creams & Lotions	+12.6	− 6.6	+ 0.5
Facial Preparations	− 9.7	− 8.8	− 3.4
Lip Care Products	+23.1	−10.7	+ 9.7
Suntan Lotions & Oils	−37.9	−29.0	−30.3
Cosmetic & Medicated Skin Aids	− 0.4	+ 0.9	+ 1.9
TOTAL ALL CATEGORIES	+ 1.1%	− 0.2%	+ 3.8%

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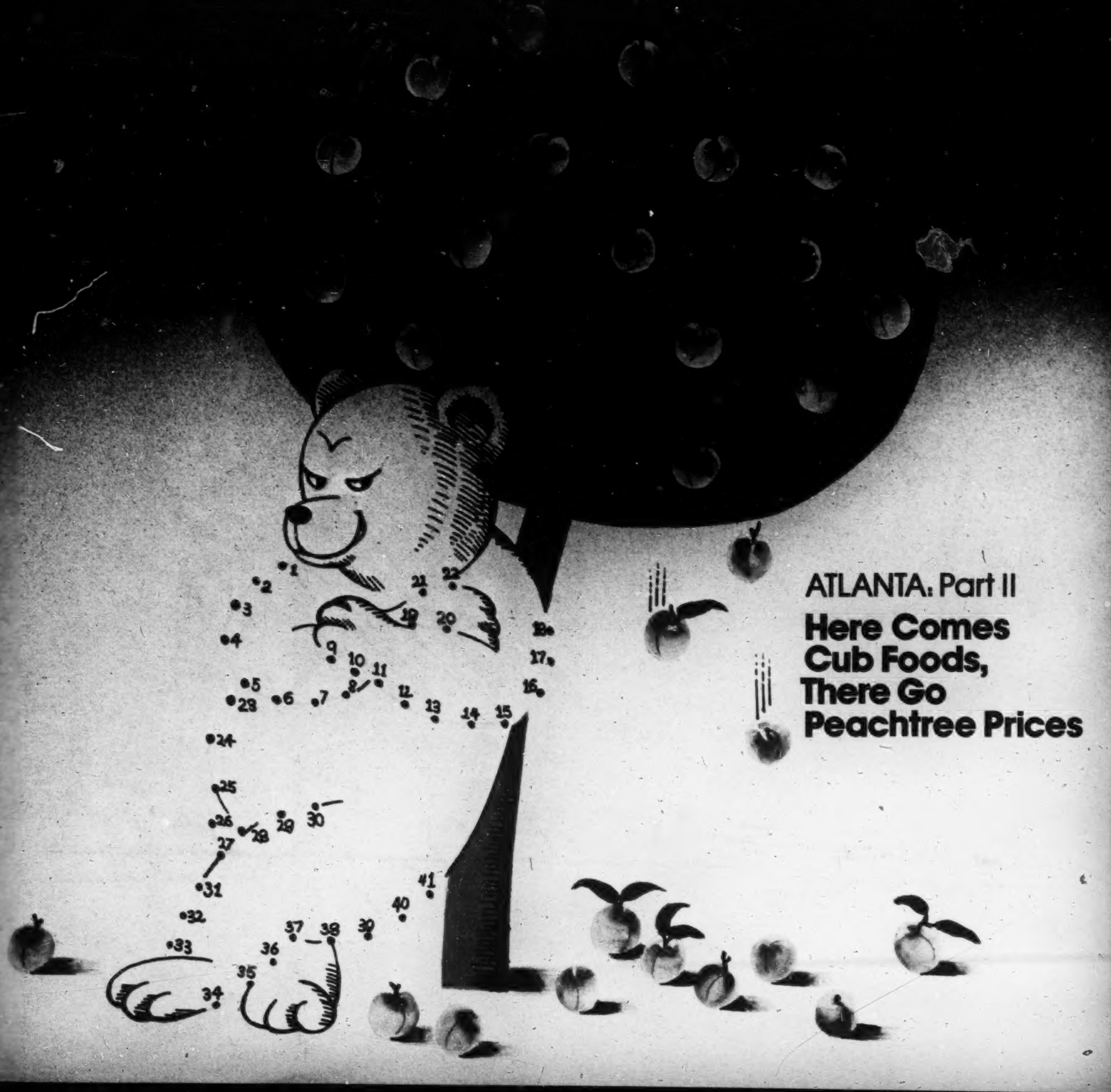
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ATLANTA: Part II

Here Comes Cub Foods, There Go Peachtree Prices

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SAMI UPDATE:

HBA Sales Lose Some Momentum in February

Deodorants, toothpaste and shaving needs all faced unit volume losses during the most recent 28-day reporting period. But increases in cough/cold and mousse styling products helped offset these declines.

BY ALAN MILLER, JR.

After starting the New Year right with an overall gain of 3.8 percent, HBA unit sales through food stores inched forward only 1.4 percent during the 28-day SAMI reporting period ending March 1. At the product group measurement level, four-week gains were found in five out of eight categories, but it was the strong performance of skin care aids and proprietary cold medicines that made the difference between a plus or minus trend in all categories combined. Skin care aids rose a resounding 17.1 percent in unit volume and proprietary remedy volume improved 3.2 percent to offset losses of 7.5 percent for shaving needs and 2.5 percent for deodorants. The plus/minus score by categories was 24 increases and 26 declines, reversing the favorable 28 to 22 ratio of gains to losses in the preceding reporting period.

During the preceding period (the four weeks ending February 1), the 3.8 percent gain rate for health and beauty aids was second only to a 4.4 percent advance for refrigerated foods. In the current period under scrutiny, the 1.4 percent gain rate was exceeded by all but dry grocery food products, which moved up a mere 0.3 percent.

Unit volume in the baby needs product group showed an increase of just under 1 percent, contributed to by a rise of 5.7 percent in baby oils, cream and lotions. Nursing supplies, which had been on a high roll for an extended period, fell behind the year-earlier rate infinitesimally. Unit sales of infant clothes fell 9.5 percent, but since this is a low volume category in the product group, the decline did not pull the total category into the minus column.

Five out of the eight catego-

ries of deodorants in one form or another experienced sales declines, reaching the double-digit loss rate in three: spray deodorants (−15.3 percent), feminine hygiene deodorants (−11.6 percent) and deodorant and talcum powder (−11.2 percent). The 2.5 percent drop in unit sales for the product group would have been more severe if it had not been for the continuing, though less dramatic than usual, gain of 8.5 percent for stick deodorants and anti-perspirants. Smaller upward trends were found among feminine douches (+2.2 percent), foot deodorants and athlete's foot remedies (+1.9 percent).

Both first aid categories moved upward versus the corresponding year ago period, with first aid antiseptics ahead 5.7 percent and first aid products advancing 0.6 percent.

Whopping increase in mousses

Among the seven categories in the hair care needs product group, there were only two registering gains. Hair setting needs saw the continuing proliferation of hair styling mousses responsible for a mighty four-week gain of 409.8 percent. The other plus was a modest rise of 6.5 percent in units of hair coloring products. For the fourth time in a row, unit volume for shampoos was negative, with a decline of 5.1 percent recorded for February.

The recent plus volume among hair sprays was interrupted and a minus 1.4 percent was seen. Losses among hair conditioning rinses and hair dressing needs were less than one percent, and the 1.6 percent dip for home permanent kits does not translate to many sales dollars because of the relatively small size of the category.

Gains and losses in the oral hygiene product group were balanced at three percent and three percent, but because of a 2.7 percent decline in the high volume toothpaste and powder category, the product group as a whole fell behind 0.6 percent. Mouth wash volume advanced 7.7 percent, reflecting in part the roll-out of Listermint Flouride. The 14.3 percent gain among breath fresheners unfortunately is on too small a volume base to help the product group much. The improvement in denture adhesive sales through food stores amounted to less than one percent. Denture cleaner unit volume has been on a slide for a number of months and the most recent loss amounted to five percent.

Nothing to sneeze at

The big news in the proprietary remedy product group was that the cough, cold and flu season seems to be continuing without abatement and sales of the cold misery relief products continue to soar in comparison with the 1984 season.

Double-digit rates of increase were found among three of these categories: nasal spray-drop-inhalers (+14.0 percent), chest rubs (+11.1 percent) and cold tablets (+10.3 percent). Sleeping aids, which may be helped by a plague of coughs and colds, enjoyed a sales hike of 9.8 percent. The ever-vigorous eye care products category jumped 26.4 percent. Aside from proprietary tranquilizers, where a fall to oblivion continues, the most worrisome downward trends have been befalling vitamins (−12.7 percent) and appetite suppressants (−10 percent). Four-week volume in the important internal analgesics category rose only 48,000 units, or 0.2 percent.

Shaving points

All of the trend signs were negative in the shaving needs product group and loss rates exceeded five percent in each of the five categories tracked by SAMI. The loss for shaving creams, amounting to 10.6 percent, probably still can be attributed to the consumer stockpiling of deal merchandise last year, rather than a decline in shaving or switching from wet shaving to electric shavers. Razor blades representing two-thirds of the four-week unit volume in the shaving needs product group had a loss rate of 6.3 percent, higher than the 5.2 percent decline for the 12-week or 4.4 percent for the full year intervals.

The best overall performance is found in the skin care aids product group, where all five of the SAMI categories registered upward mobility as high as 96.1 percent in the case of suntan lotion-suntan oil, 26.7 percent for lip care products and 24.6 percent for hand and body creams and lotions. Less impressive unit sales increases were found among facial preparations (+3.3 percent) and cosmetic and medicated skin aids (+2.1 percent) for a total gain of 17.1 percent in the entire product group.

Thus, this report ends on a happy and positive note. Hopefully, March will prove profitable to manufacturers of toothpaste, shavers and deodorants of every description. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 1/4/85	4 WEEKS ENDING 2/1/85	4 WEEKS ENDING 3/1/85
BABY NEEDS	– 3.1%	– 0.1%	+ 0.9%
Baby Powders	– 0.6	– 1.6	– 2.6
Baby Oils, Creams & Lotions	– 8.4	– 2.7	+ 5.7
Infant Clothes	– 10.9	– 5.4	– 9.5
Nursing Supplies	+ 4.8	+ 6.0	0.0
DEODORANTS	+ 2.9%	+ 3.0%	– 2.5%
Sprays	– 1.2	– 10.7	– 15.3
Roll-Ons	+ 1.0	+ 2.0	– 4.3
Stick Deodorants & Pads	+ 2.9	+ 14.7	+ 8.5
Creams	– 8.9	– 0.6	– 4.4
Deodorants & Talcum Powders	– 9.2	– 0.8	– 11.2
Feminine Hygiene Deodorants	– 6.8	– 7.1	– 11.6
Foot Deodorants & Athlete's Foot Remedies	+ 5.4	+ 5.4	+ 1.9
Feminine Douches	+ 2.4	+ 0.3	+ 2.2
FIRST AID	+ 1.5%	+ 1.2%	+ 1.6%
Antiseptics	+ 5.8	+ 9.2	+ 5.7
First Aid Products	+ 0.3	– 0.6	+ 0.6
HAIR CARE NEEDS	+ 6.6%	+ 5.2%	+ 1.6%
Shampoos	– 2.2	– 1.2	– 5.1
Hair Sprays	+ 15.0	+ 8.6	– 1.4
Hair Conditioning Rinses	– 3.2	+ 1.4	0.0
Hair Setting Needs	+ 538.7	+ 439.7	+ 409.8
Home Permanent Kits	– 13.5	+ 3.3	– 1.6
Hair Coloring	+ 0.3	+ 0.3	+ 6.5
Hair Dressing Needs	+ 1.3	+ 1.5	– 0.6
ORAL HYGIENE	– 2.4%	– 1.9%	– 0.6%
Toothpastes & Powders	– 1.9	– 3.0	– 2.7
Mouthwashes	– 1.5	+ 3.6	+ 7.7
Breath Fresheners	+ 13.8	+ 9.4	+ 14.3
Denture Cleaners	– 2.6	– 7.5	[illegible]
Denture Adhesives	– 2.1	+ 1.2	[illegible]
Toothbrushes	– 7.0	– 2.5	[illegible]
PROPRIETARY REMEDIES	+ 1.9%	+ 9.[illegible]	[illegible]
Antacids	+ 0.1	+ [illegible]	[illegible]
Internal Analgesics	+ [illegible]	+ 0.3	+ 0.2
External Analgesics	– 3.0	[illegible] 2.6	– 5.5
Cold Tablets	+ 5.7	+ 20.4	+ 10.3
Nasal Sprays—Drops—Inhalers	[illegible] 1.1	+ 11.4	+ 14.0
Chest Rubs	– 2.9	+ 14.4	+ 11.1
Cough Remedies	+ 2.8	+ 18.1	+ 6.6
Laxatives	– 0.5	+ 4.3	+ 4.1
Sleeping Aids	+ 17.8	+ 12.9	+ 9.8
Tranquilizers	– 20.6	– 22.7	– 28.6
Vitamins	– 9.6	– 7.3	– 12.7
Eye Care Products	+ 20.5	+ 23.1	+ 26.4
Appetite Suppressants	– 24.4	– 15.9	– 10.0
SHAVING NEEDS	– 12.9%	– 6.1%	– 7.4%
Shaving Creams	– 29.3	– 10.6	– 10.6
Pre-Shave Lotions	+ 5.9	+ 2.1	– 9.4
After-Shave Lotions	– 0.8	– 6.2	– 6.5
Razor Blades	– 6.7	– 2.7	– 6.3
Razors & Blades	– 11.1	– 8.2	– 9.1
SKIN CARE AIDS	– 6.5%	+ 1.8%	+ 17.1%
Hand & Body Creams & Lotions	– 6.6	+ 0.5	+ 24.6
Facial Preparations	– 8.8	– 3.4	+ 3.3
Lip Care Products	– 10.7	+ 9.7	+ 26.7
Suntan Lotions & Oils	– 29.0	– 30.3	+ 96.1
Cosmetic & Medicated Skin Aids	+ 0.9	+ 1.9	+ 2.1
TOTAL ALL CATEGORIES	– 0.2%	+ [illegible]	+ 4.4%

PUTTING SOME SPARKLE INTO THE WINE MARKET

The strength of the U.S. dollar in foreign markets during the past year uncorked a bonus for American winedrinkers and purveyors of the grape, including the nation's supermarkets.

During 1984, imported wines continued to become more affordable to U.S. consumers, leading to an eight percent growth in overall sales of imported wines—up from the seven percent growth registered a year ago. (Statistics used in this story are estimates based on actual wine consumption through November 1984, and compiled by the San Francisco-based Wine Institute.)

At the same time, domestic wines also enjoyed a better year than in 1983, with a five percent rate of growth, up from a mere one percent growth rate of the year before.

Domestic Wine

This is not to say, however, that imported wines began to outshine American wines; domestic varieties still account for three-quarters of U.S. wine consumption, precisely the same position they occupied a year ago.

Indeed, as a whole, this country's wine consumption is up six percent for 1984, twice the rate of increase as 1983's three percent gain.

But there is a conundrum here. While the experts and the figures agree that more wine is being consumed by Americans than ever before, there remains considerable debate about whether the United States will ever become the nation of wine drinkers into which many once thought it would evolve.

In *The New York Times*, for example, wine writer Frank J. Prial found the following observation fit to print: "Reports of our wine acculturation were not only premature, they were mostly groundless. I would suggest further that we have never been and are not now a wine-drinking nation, and that the jury is still out on whether we ever will be."

'Part of civilization'

André Fournier, founder and president of the André Fournier Wine Company, which specializes in highly priced California varietals, offers a rebuttal: "I disagree. Drinking wine is part of civilization. The more money people make, the more their standards go up, and the more civilized they become."

This approach, however, may be precisely what keeps the United States from a general, popular acceptance of wine as a casual beverage. William J. Prelli, vice president for national chain sales with The Seagram Wine Company (New York City), says that research has confirmed that "the higher you go within each segment of society, and the more educated people tend to be, the more likely people are to consume wine on a regular basis. Wine is seen as elegant and complicated, and doesn't really lend itself to chugging and quaffing."

Prelli says that because this audience is seen as the natural target for wine, it is for precisely this group that advertising and promotion is tailored.

Guzzlers vs. sippers

If the U.S. is a nation of guzzlers rather than sippers, and if it is this difference that prevents this country from accepting wine on a widescale basis, then there may be an answer on the horizon—wine coolers. With dozens of brands available during 1984, the citrus-and-wine drinks were responsible for most of the 93 percent rate of growth in the Special/Natural category as defined by California's Wine Institute—by far the greatest amount of growth seen in any wine category during 1984. (See sidebar.)

With debate still raging about this nation's potential as a wine consumer, there is yet another riddle without a clear answer. According to sources, there is a clear disparity between the kinds of wines that are being sold and consumed in the United States. While imported wines have become more affordable and attractive to shoppers, and sales have increased, it is a different kind of domestic wine—namely the champagnes and sparkling wines—that have provided a considerable amount of the growth seen in American wines. Consumption of champagnes and sparkling wines that were made in the U.S. was up 13 percent in 1984 which, while slightly less than its 16 percent rate of growth during 1983, still made it second only to wine coolers in terms of pacing the segment.

Table wines, which include jug and non-vintage wines, experienced what is generally described as a "flat" year during 1984, down one percent from 1983. According to Seagram's Prelli, the fact that this drop was not more precipitous can be ascribed to the success of "the fine little boutique wines," which he said were up as much as 20 percent during 1984, as well as that of imported table wines.

Consumer psychology

Clearly, industry observers say, consumer psychology when it comes to wine purchasing habits in the U.S. remains something of a mystery. Marshall Newman, a Wine Institute spokesperson, when asked about the various factors—price, wine type, consumer education—that affect buying decisions, says only that specifics "are very hard to confirm."

On the retailing side, those involved with wine on a daily basis agree that there remains a considerable "intimidation factor" that must be overcome if wine is to develop into a common supermarket purchase. While this factor may have been over-

BY KEVIN COUPE, ASSOCIATE EDITOR

The supermarket may be the ideal forum in which to turn consumers toward wine. While wine is perceived as formal, America is an informal nation. Supermarkets reduce the wine mystique, and can generate new sales.

come in major metropolitan areas, in less sophisticated places—Maine and Nebraska, for example—there is still quite a distance to travel.

"There really is an intimidation factor there," says Bill Lee, manager of direct store delivery for Hannaford Bros. Co. (Scarborough, Maine). Lee says that there are two levels of intimidation at play—that of consumers and that of store personnel—and he suggests that it is nearly impossible to change shoppers' view of wine if store personnel's attitudes are not changed first. "It can all get to a point of sophistication past where I can understand it," he says. "It gets to the point where they (manufacturer represenatives) are talking about bouquet and aroma, and all I want to know is, how many boxes does it do?"

In McCook, Neb., Sixth Street Food Stores recently opened up a new 40,000-square-foot unit, complete with a combination wine/beer/liquor department. "We haven't had any Indians attack the wagon trains in the past six months, but we're not exactly a metropolitan area," says Bob Mayber, spokesperson for the eight-store, North Platte, Neb.-based chain. "Fifty percent of our sales in the section have been in beer, 30 percent in hard liquor, and 20 percent in wine." It is, Mayber says, a trend unlikely to change in the near future.

Indeed, Mayber's experience shows how fluctuating wine merchandising methods can be. Contrary to popular wisdom, a cold box in his wine section "wasn't producing," and he removed it; cross merchandising also "never produced many sales," and Mayber says that was eliminated as well.

Supermarkets are ideal

Philippe Pascal, of the trade organization Food and Wines From France, says that the supermarket is the ideal forum in which to turn consumers toward wine. The chief difficulty in getting Americans to appreciate wine, Pascal says, is that wine is perceived as formal while this nation is essentially a casual culture; wines in a super work to the products' advantage because they reduce

Continued on page 62

Tasteful
whenever you serve them.
All the best

Generous endcap and freestanding displays of wine at a Kroger super store in Atlanta (above, left) and at Smitty's Supermarket in Springfield, Mo. (above, right) typify aggressive approaches to wine merchandising—industry experts say wine must be sold like any other grocery product.

BRACE YOURSELVES FOR A WINE COOLER BOOM

Bill Lee has a problem.

Lee, the manager of direct store delivery for Hannaford Bros. Co. (Scarborough, Maine), is confident that wine coolers are going to be big during the summer of 1985. But he doesn't quite know what to do with them.

"I've tried merchandising them in the cold wine section, the regular wine section and in the cold beer section," he says. "Coolers did better in the cold beer section than in the other two sections combined. But that's tough real estate, and you have to make trade-offs. I'm at a loss as to how to merchandise coolers without losing a pack of Heineken for every cooler I put in."

Lee may not be alone in his quandary. Despite the fact that wine coolers experienced growth of about 93 percent during 1984, manufacturers and retailers alike are girding for "the big boom" they expect this summer. And while nobody is willing to estimate exactly how much will be sold this summer, the numbers each is willing to toss around are just short of staggering.

Sales and retailer slant

"Between 1981 and 1984, the cooler business was really sales and retailer oriented," says Thomas M. Gibbs III, director of marketing for California Cooler, Inc. (Stockton, Calif.). "Then, advertising was really an optional expense. In 1985, however, this will be a more typical consumer business. Distribution will be more of a given, and advertising will be a long term investment."

Big bucks are being sunk into the wine cooler business.

Gibbs says that in 1983, about $1.3 million was spent on the overall cooler category in advertising by various manufacturers. In 1984, he says, that figure more than doubled, to $3.2 million in advertising. In 1985, Gibbs says, estimates are that the overall category will be seeded with about $93 million in advertising, which represents something close to a 3,000 percent increase.

The reason for the tremendous influx of advertising dollars is simple: The Seagram Wine Company and E. & J. Gallo Winery are going into the business.

Fueling growth

William J. Prelli, Seagram's vice president for national chain sales, says there are a variety of reasons that his company is investing heavily in the wine cooler business. Beyond the obvious fact that the company sees growth potential in the category, Seagram also sees coolers as a way of "fueling growth" in the overall American wine industry, Prelli says.

"Wine is really a graduation process," Prelli says. "Many people speculate that the explosion of wine coolers will introduce wine to people who may then go on to try more specific types of wine in a more conventional form." Prelli also says that there is not a great deal of concern within his own company that the cooler business will not explode as expected. Even if it remains flat, the wine cooler business would be a healthy amount of business, Prelli says; in addition, he says that census figures suggest that "the 25 to 44 age group will be up 26 percent by 1990, which means we will have a lot more consumers to sell to."

At California Cooler, there is some concern about the entry of Seagram and Gallo into the business, but Gibbs, acknowledging that there will be some shakeout from the dozens of companies currently in the segment, says that the company "will aggressively support the brand." Says Gibbs, "As long as we support the brand, we should not lose our market position. There's nobody who can go up against Seagram and Gallo, and of course we are concerned. But we know what our job is to do this year." ■

If the U.S. is a nation of guzzlers rather than sippers, then there may be a kick to wine sales with wine coolers, which accounted for much of the growth in the domestic wine category during 1984.

U.S. WINE CONSUMPTION DOMESTIC VERSUS IMPORTED

MILLIONS OF 9 LITER CASES

	1982	1983	% Change	1984E	% Change	1984 Share
DOMESTIC	164.6	166.3	+ 1	174.7	+ 5	75
IMPORTED	51.3	55.0	+ 7	59.2	+ 8	25
TOTAL	215.9	221.3	+ 3	233.9	+ 6	100%

- Domestic wines are the largest segment of the business at 75%.
- Imports have shown the greatest growth in the past few years and now are 25% of the total wine market in cases.

SOURCE: Wine Institute

U.S. WINE CONSUMPTION BY TYPE

MILLIONS OF 9 LITER CASES

	1982	1983	% Change	1984E	% Change	1984 Share
TABLE WINE	166.7	169.0	+ 1%	166.6	− 1%	72%
CHAMPAGNE & SPARKLING	15.7	18.4	+ 16	20.6	+ 13	9
VERMOUTH	3.2	3.1	− 3	3.0	− 3	1
DESSERT	16.4	15.8	− 5	16.0	− 6	6
SPECIAL NATURAL (INCL. WINE COOLERS)	13.2 (2)	15.0 (2.5)	+ 14	28.9 (17.0)	+ 93	12
TOTAL	216.2	221.3	+ 3%	233.9	+ 6%	100%

- The total wine category grew by + 6% (cases) in 1984.
- Table wines are still the dominant type at 72% of total wine consumption. However, champagne and sparkling have shown dramatic growth in 1983 and 1984.
- Wine coolers are an explosive new addition to the wine business and will have done about 17 million cases in 1984.

SOURCE: Wine Institute

Continued from page 59

the mystique. "Wine drinking is a matter of pleasure," he says. "You don't have to be serious about wines to enjoy them." In fact, Pascal suggests, past tactics of encouraging Americans to be more serious about wine may have been misguided; what should have been developed is a campaign to get Americans to be more casual about wine.

Such a campaign is currently being unfolded by a variety of different trade groups and manufacturers. It is precisely this message that is offered to consumers in a prominent advertising campaign by Beaulieu Vineyards of Rutherford, Calif. Other manufacturers, such as Wente Bros. and Guild, for example, have altered some of their packaging to make wine more accessible. Wente Bros. is offering some of its wine in 187-milliliter single-service bottles, similar to those used on airplanes, and resulting in an increase in sales so large that the company had to go to double shifts for bottling purposes, according to Carolyn Wente, vice president of the company. And, at Guild, distribution of its Vintner's Choice wine in three liter plastic bottles "has pretty much doubled our volume," says Meredith Becker, a Guild Wineries and Distilleries spokesperson. Both Wente and Becker noted that supermarkets have proven to be a prime distribution point for these products, though neither had specific numbers to substantiate their claims.

Educational materials

At the German Wine Information Bureau, retailer demand for educational materials has doubled during the past year, says Lamar Elmore, executive director of the organization. Elmore says that in an attempt to respond to the requests, which accompanied a six percent increase in German wine imports during 1984, a four-city promotional tour to Tampa, Houston, Seattle and Detroit has been scheduled for later this year; the effort is aimed at helping distributors and retailers understand the product they are selling.

Vincenzo Gianpaolo, a spokesperson for the Italian Wine Promotion organization, says that his country's wine exports to the United States were actually down 0.8 percent during 1984. He attributes the flatness to the fact that the U.S. did not experience any significant growth in terms of the overall wine market. He also says that Italy has not as yet put together any consumer education efforts to promote its wines, and conceded that could be a factor in the lack of growth during 1984.

At Food and Wines from France, director Pascal is exultant over the way in which his nation's wines have performed over the past year. While France had about 30 percent of the imported wine market in the U.S. during the mid-'70's, that figure dropped to about 10 percent by the beginning of this decade, but now has rebounded to about a quarter of the total import market. Pascal admits that the drop was directly attributable to France's inability to develop a simple enough wine to appeal to Americans' unsophisticated palates. But that has changed, he says, with the export to the U.S. of a group of *vins de table* with an "authentic French nature." Pascal says that the coming months will see a substantial promotional push of French wines as beverages to be consumed with food, and that it is in this area that France sees the

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> There is still a considerable "intimidation factor" that must be overcome if wine is to develop into a common supermarket purchase. While this may have been alleviated in metropolitan areas, in less sophisticated places there is still quite a distance to travel.

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most significant potential growth.

Private label wines

Pascal also suggests that in the not-too-distant future, Americans may see a new development: supermarkets offering a private label, imported wine to their customers. "This has already happened in Great Britain," he says, and when it happens in the U.S., "it will give us the opportunity to get new consumers for all our imported products."

Which brings things right back to the retailer, which is where the sales eventually have to be made. Retailers in general offer guarded optimism about the wine business; they seem to understand that it can help their business, but they don't quite understand it.

"Wine is still pretty much customer self-service," says Hannaford Bros.' Lee. "It is a self-sufficient category. I know that if I pay more attention to it, I can do a real good job with it."

Which is never bad for the retailer. ■

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At one Atlanta Big Star, prominent signs educates consumers about the store's wine selection; this serves both to stimulate sales and alleviate the need for full-time on-duty sales staff.

RESEARCH REPORT

Putting Some Punch Into Produce Departments

This article was written and researched by Herman Roberts, Jr., Safeway Stores, Inc.; Thomas J. Schuh, The Kroger Co., and Frederick J. Schuit, Lucky Stores, Inc. This paper was prepared as part of a Food Industry Marketing Program at the University of Southern California. The writers received a plaque, at the annual Food Industry Marketing dinner, for their work.

About three years ago, three major Southern California supermarket chains adopted an innovative produce merchandising program. It was implemented to improve the overall image of produce departments. Today, this is referred to by a variety of names including "farm-fresh look," "bulk bin produce" and "orchard bins."

Many people have felt that shopping in the produce department in their local supermarket has been traditionally ho-hum and less than exciting. Produce merchandising techniques have not changed for years, and the items are often presented as sterile and less-than-inviting. Because of this, many customers felt that the produce lacked quality and freshness. On the other hand, roadside produce stands have been perceived to have the freshest and best quality merchandise.[1]

The supermarket industry has spent many years trying to overcome these perceptions. Gradual changes have been made in display techniques as well as in the variety of items available for consumers. The presence of year-round strawberries, melons and exotic fruits have expanded the produce selection of today. In addition, public awareness of the nutritional benefits of fresh fruits and vegetables has brought the produce department of today new-found customers. But key questions remain:

1. How do we capitalize on this new interest?
2. How do we get these customers to spend their money in today's supermarket?
3. More importantly, how do we rid ourselves of the stigma of inferior produce departments?

Loblaws, a successful Canadian supermarket chain, is credited with the basics for the "farm-fresh look."[2] Its approach was to give that "right-off-the-farm" look that appeals to the modern shopper. Dale Lynch, former president of Safeway Stores, Inc., is mainly responsible for both the implementation of this concept to Safeway Stores and for its overall commitment to this merchandising technique.

Recent surveys conducted by the Food Marketing Institute, the Produce Marketing Association (PMA), and the United Fruits and Vegetable Growers Association have shown a shift in the reasons consumers choose a particular supermarket. The number one reason is high quality produce and the number two reason is variety and selection in the produce department.[3] These facts are very surprising and are a major reason for the current emphasis on the importance of produce merchandising techniques.

The highly competitive nature of the Southern California supermarket environment has forced many companies to implement aggressive produce merchandising programs. In particular, Hughes Markets and the Irvine Ranch Markets have built their reputations on high quality produce for their customers. Other chains are attempting to follow their lead and the "farm-fresh look" is a tool for doing so. The enthusiasm for these programs has been reinforced by the encouraging results and positive response of consumers.

The "Farm-Fresh Look"

The "farm-fresh look" concept for produce merchandising utilizes a number of ways to develop a fresh, "straight-off-the-farm" image. These include:

1. Building massive displays utilizing full, original shipping packages.
2. More efficiently using labor by not "trimming" as many items.
3. Making use of all available sales floor space.
4. Elimination of all unnecessary "double" or "triple handling" of merchandise.
5. The reduction of the amount of merchandise in the backroom.

In addition, the overall appearance of the produce department has been transformed into a road-side produce stand within the supermarket. Wooden display bins, canvas awnings and unique lighting techniques have all been adapted to the supermarket environment.

The Effect of the "Farm-Fresh Look" on Labor Efficiency

The store management personnel that we surveyed saw this new concept as an outstanding means for reducing labor costs. Among the reasons for this perception are the following:

1. Less time needed to rotate product. The product on display is easier to pull off and easier to refill. This is due to many displays being built from the original shipping packages. To rotate: remove existing display cases, replace with new full cases, and dump the previously displayed cases on top. This process has eliminated the time-consuming method of handling individual items.

2. More product on display. The new display technique and tables offer more product for sale. This is very important in high-volume stores that become congested and difficult to work in. In addition, peak business hours are handled more efficiently due to better stock conditions.

3. "Travel time" is reduced. Since the amount of product is increased, fewer trips from the backroom to the sales floor are necessary. This allows store personnel to be more productive and visible.

4. Reduce "processing" time. Many items that were previously prepared for display are now presented in a more natural state. For example, unwrapped head lettuce, untrimmed ears of corn, and celery left unbanded are all ways of saving ever-increasing labor costs.

The current wage rate for a journeyman produce clerk in

–CHART A–

Customer Response to "Farm-Fresh Look"

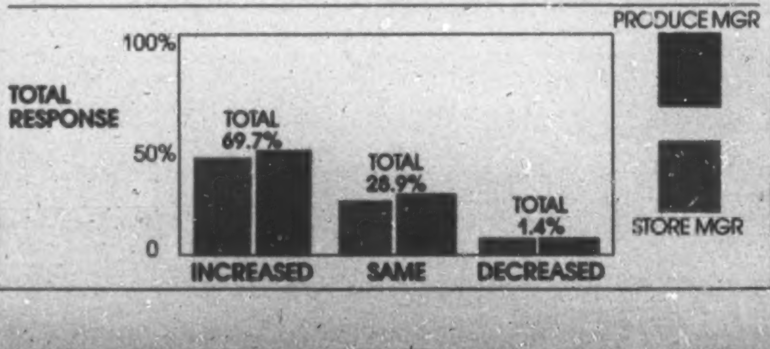
(as reported by Store Personnel)

Respondents (Total 680)	Very Good	Good	Not so Good	Poor
Store Manager	55.6%	40.1%	3.2%	1.1%
Produce Manager	53.2%	42.6%	2.1%	2.1%
Totals	54.9%	39.7%	3.2%	2.2%

Note: Store Managers and Produce Department Managers were separated in this table due to the different degrees of customer contact.

CHART B

"Farm-Fresh Look" Effect On Produce Sales



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the Southern California retail area is $11.80 per hour, plus an additional 45 percent for fringe benefits.[4] These costs are rising and the need for better labor utilization is vital to the supermarket industry. Up to an 18 percent reduction in labor costs is possible with the proper implementation of this program.[5]

The Reception of the "Farm-Fresh Look" by supermarket shoppers

This concept has been extremely well accepted by the Southern California area shoppers. Customer feedback to store personnel indicates an overwhelmingly positive response to the changes that have taken place (See Chart A). The image that the supermarket produce departments now have can largely be attributed to the implementation of the "farm-fresh look." The response in sales indicates that the "roadside" produce stand is now inside the supermarket of today. Customers perceive these stores to have the highest quality and freshest produce available.

The Effect of the "Farm-Fresh Look" On Sales and Profitability

The best measure for success of the program is increased sales and profits for those stores in which it has been implemented. Through our personal interviews and information gathered from PMA, we have found there has been a one percent to three percent increase in total store sales volume for stores that have implemented these programs. In addition, there has been a very profitable 0.5 percent to four percent increase in produce sales as a percentage of total store sales.[6]

Specific sales results were not available due to the sensitive and confidential nature of this information. However, the questionnaire did not request specific information. We were more concerned with the overall effect as perceived by the store personnel. Therefore, the general opinion of supermarket management personnel was used as the basis for our conclusions.

Produce departments traditionally have been one of the highest gross margin areas in the supermarket. In fact, the gross margin on produce averges 33.5 percent compared to 15.9 percent on grocery and 20.6 percent on meat.[7] As stated earlier, the importance of the produce department as an attraction is the number one reason that shoppers select a particular store. Since the profit potential of the produce department is substantial, the importance of attractive and appealing displays cannot be minimized. The "farm-fresh look" not only gives this benefit, but also enhances the total store image.

It is easy to see that an increase in sales in this department could also increase overall profits for the store. Higher traffic because of an improved produce image not only increases produce sales but adds to total store volume as well.

Farm-Fresh Produce
=
Increased Produce Sales
=
Increased Store Sales
=
Increased Profit

Our questionnaire determined that 69.7 percent of store managers and produce department managers who had the "farm-fresh look" reported an increase in produce sales. Another 28.9 percent reported no substantial change in their volume (See Chart B).

A major factor in the profitability of the produce department is the amount of inventory loss due to "shrink." That is, the difference in the amount of produce you order for sale and the actual amount you sold. The shrink dollars have also gone up with the increased sales and holding power of the "Farm-Fresh Look." However, as a percent of total sales, the shrink percentage has decreased. This has had a positive effect on not only the produce department net profit, but the overall store profit as well.[8]

How the Store Personnel View the Overall Concept

It has been obvious by the content of this report that there has been an enthusiastic response to the "farm-fresh look." Produce personnel surveyed indicated a positive attitude concerning rotation, holding power, customer response, sales and profitability. The positive attitude of store personnel has been a key factor in making this program a success. The chains involved have done an excellent job in acquiring support through education, training and selling of this concept. Not only have they sold it to their employees, but to the customer as well.

To show the supermarket industry's acceptance of this concept in Southern California, Ralph's Grocery Company currently has 87 of its 126 stores on this program. Current plans call for converting the remaining 39 stores to the "farm-fresh look" in the near future. In addition, Safeway Stores, Inc., has converted 104 of its 220 Southern California stores to the "orchard bins" concept. In fact, Safeway leads the way, with nearly 700 stores nationwide with this concept. Current plans call for converting as many stores as possible and all newly constructed Safeway stores will boast this "farm-fresh look." Finally, Lucky Stores, Inc., has approximately 25 percent of its stores on the program. Future plans call for converting most of the remaining stores.

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RESEARCH STUDY

Continued from page 107

The widespread acceptance of this existing produce merchandising technique by these three major supermarket chains is an indication of things to come. New, better, and more revolutionary ideas in store merchandising are needed to keep up with the competitive nature of this industry. The "farm-fresh look" is a good example of adapting to the ever-changing demands of today's aggressive retail environment.

Therefore, we strongly suggest that any stores or chains not currently on this program, seriously consider its many advantages. Not only would the sales and profits of the companies increase, but their image with the customer would be greatly enhanced. ■

PERSONAL INTERVIEWS

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Okamoto, Bob. Lucky Stores, Inc., Montebello, Calif.

Oliveri, Ted. Lucky Stores, Inc., Westminster, Calif.

Salazar, Ernie. Lucky Stores, Inc., Buena Park, Calif.

Shockley, James S. Safeway Stores, Inc., Downey, Calif.

Small, Thomas. Safeway Stores, Inc., Downey, Calif.

FOOTNOTES

1. Shelly Berman Associates, "Survey for Lucky Stores, Inc.," July 1, 1983.
2. Dale Lynch, Safeway Stores, Inc., interview, Los Angeles, Calif., Feb. 6, 1985.
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ON MEAT

Continued from page 93

being done by the industry to accurately inform consumers about the actual antibiotics issue, meat trade associations are renewing their stress on the need for proper food handling and preparation techniques to prevent diseases such as salmonellosis. The industry is also trying to draw attention to the overuse and abuse of penicillin and tetracycline in human medicine, which also adds to the pool of antibiotic-resistant bacteria, but which many ban opponents feel is currently underplayed by the majority of proponents.

The legal and safety-issue battles continue at FDA and in the pages of the scientific and general press, but the majority of consumers will be responding to the antibiotics issue where it most directly confronts them: at the meat case in the supermarket. Whether or not FDA declares a ban on the use of penicillin and tetracycline in animal feed, meat department staff may well be faced with a volley of consumer questions and resulting confusion regarding the effects of antibiotics on their health.

The Food Marketing Institute (FMI) is not taking an official stand on the issue, but it is working with meat industry groups to prepare a question-and-answer white paper to uncloud some of the confusion for its members. Karen Brown, vice president of communications at FMI, acknowledges that "this is the kind of issue that tends to get confusing."

The position of retailers is perhaps best summarized in the words of the American Meat Institute's vice president of communications, Mary Burnette: "We are basically waiting for FDA to come out with a statement one way or another. We don't have strong feelings either way. We want FDA to just resolve the issue, to put to bed any concerns that may be unwarranted." ■

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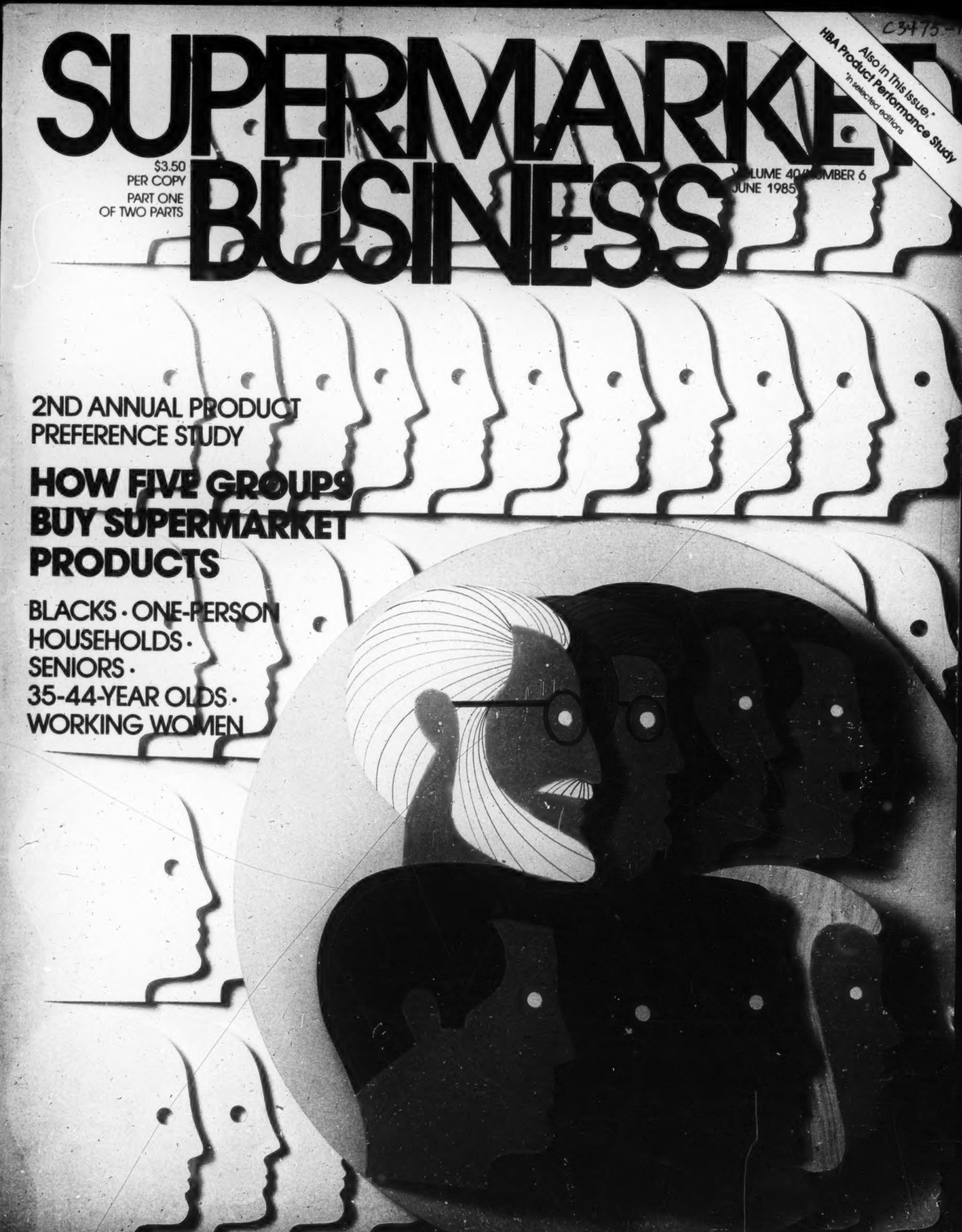

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SUPERMARKET BUSINESS

PART ONE
OF TWO PARTS

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JUNE 1985

SECOND ANNUAL PRODUCT PREFERENCE STUDY HOW FIVE AFFLUENT GROUPS BUY SUPERMARKET PRODUCTS 27

ROBERT DIETRICH

SUPERMARKET BUSINESS's second product preference report documents the spending patterns of five groups with annual incomes of at least $20,000. The groups are: one-person households, working women, senior citizens, blacks and those 35 to 44 years old. The more affluent blacks, seniors and one person households are often overlooked by marketers. Our findings show that these people have had a faster income growth rate than the rest of the population, and that each has a distinct buying pattern. Retailers throughout the country can learn some pertinent facts about spending habits of these five groups, and perhaps stock their stores accordingly for the most effective use of store space.

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SMITTY'S AIMS FOR THE FENCES/KEVIN COUPE 74

Winning is everything for this Springfield, Mo., chain, whose owner, Dave Trottier, seems to operate more on the competitive principles of sports than business. So far, it's working.

PEOPLE MANAGEMENT: HOW TO TRACK DOWN THE TROUBLE WITH YOUR 'PROBLEM PERFORMERS'/JAMES F. HEANEY 78

The human element in the food business can be the most satisfying but also the most troublesome. No piece of equipment can trip things up the way a "problem" employee can. It takes time and effort to track down the problem and resolve it, but here we outline a simple system for dealing with the issue.

NONFOODS BUSINESS:* GMDC: CELEBRATING 15 YEARS OF KEEPING THE CUSTOMER SATISFIED FACING PAGE 48

GMDC's impressive growth reflects an ever-widening recognition that "everything goes back to the consumer."

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2ND ANNUAL PRODUCT PREFERENCE STUDY

HOW FIVE GROUPS BUY SUPERMARKET PRODUCTS

BLACKS • 35–44-YEAR-OLDS • SENIOR CITIZENS ONE-PERSON HOUSEHOLDS • WORKING WOMEN

BY ROBERT DIETRICH

Money—or purchasing power, if you will—like love, is where you find it. Marketers are increasingly aware that it can be found in some households formerly written off as having low fiscal potential:

☐ Seniors
☐ Blacks
☐ One-person

While it's true that, overall, each of these three groups has an average income *below* the U.S. average, they all have a substantial proportion of members with incomes $20,000 or over (the cutoff used for comparative purposes of this report).

What's more, for two of them median household income is growing at a faster rate than for the total population:

	Median Income (1983 vs. 1980)
Total U.S.	+17%
One-person households	+31.7%
65+ households	+33.4%
Black households	+15.5%

Supermarkets operating in areas with pockets of these three affluent minorities can probably learn two lessons. The first is that their buying habits are different from lower-income peers with their demographic groups; and the second is that they're also different from other upper income households.

This report is the first to document their product-by-product purchasing preferences in a way that is useful in improving stocking and merchandising practices at the store level.

As a service to SUPERMARKET BUSINESS readers, Mediamark Research Inc. produced special tabulations of the purchasing and usage habits of over-$20,000 households in these three groups (as well as those in two other groups more commonly courted by marketers: 35-to-44 and working women households).

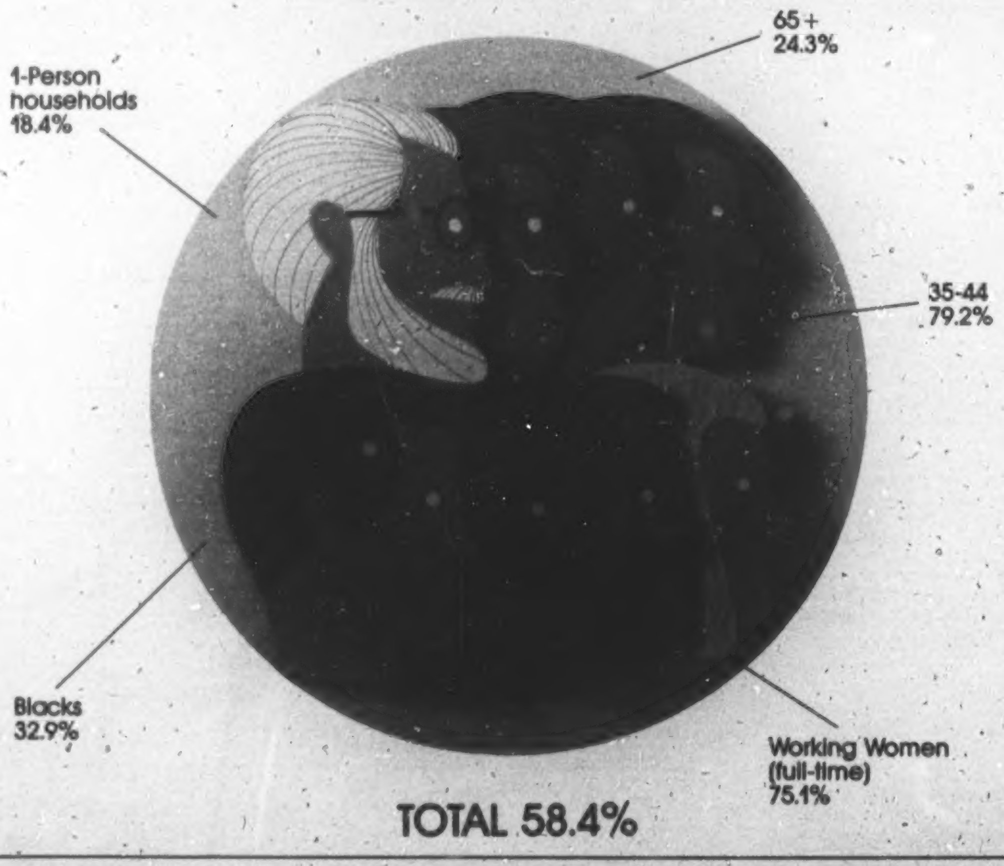
Data are reported based on female homemakers (in the case of household products like grocery items); adults (for cigarettes, beverages and non-foods products commonly bought and used by both sexes); and men and women (for HBA products used only by one group).

Black markets

The distinctive buying profile of upper income blacks runs from breakfast (toaster products and breakfast drinks) to beverages (non-diet colas and other soft drinks and malt liquor). They have a below-average incidence of pet ownership and are avid buyers of many HBA categories.

Continued on page 28

HOMEMAKERS ABOVE THE $20,000 LINE



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"Blacks are good customers for many products, including HBA," says Lincoln Hudson, a vice president of Johnson Publishing Co. Inc., Chicago, the nation's largest black-owned business. "That's partly because they're younger than the overall population, so a large proportion are in the acquisition age group between 18 and 45."

Hudson explains that for some products the distinctive purchasing pattern of blacks is related to their above average concentration in central cities. "In the case of laundry detergents," he points out, "low usage among blacks is the result of their living in apartments without washers and patronizing storefront laundromats that supply the detergent."

But living in the central city doesn't always mean shopping there. "Upper-income blacks," says Hudson, frequently drive out to supermarkets in suburban shopping centers to get a better selection of merchandise in a more pleasant environment."

Hudson predicts that more blacks may be moving out to those suburbs as their migration, which started between the two World Wars takes a new turn. "When blacks left the south for the cities to get better-paying jobs they had to settle in the downtown areas, pushing the whites out to the city limits and then to the suburbs.

"The pattern is being reversed now," he says. "as the downtown areas of every major city are being colonized by Yuppies coming back from the suburbs, and the blacks are going out to the suburbs, which is increasingly where the jobs are anyway."

Hudson notes that as upper-income blacks identify with other upper-income consumers, it would be a mistake for supermarkets to identify certain products as being just for blacks (with the exception, of course, of special-formula products).

Senior cash

The old image of over-65's as low-income pinchpennies is fading with the realization that it's discretionary income that counts in the marketplace, and this largely mortgage-free, tuition-free sector has a goodly supply of same.

Do people change their consuming habits as they graduate from one age classification to the next, or do they carry their preferences with them? Helen Tscheulin, vice president for sales and marketing, Mature Marketing Inc., Southport, Conn., supports the latter view.

"People don't necessarily change buying habits that much when they age. If they buy corn flakes and it agrees with them, they keep buying it. Age is a state of mind, not a number.

"Older people increasingly want to spend, not hoard," she says. "Even compared to five years ago there's an increase in the "live-for-today—reward-myself-not-my-children" attitude. These are their pay-off years."

"Beyond the product categories they buy, there are distinct differences in the **brands** they buy," Tscheulin points out. "Some of the maintenance brands survive on patronage of older users, brands like Bon Ami, Sanka, Vitalis and all the double-edge blades. Manufacturers would be wise to recognize this franchise by putting out some cents-off coupons from time to time to say 'thank you.'"

Alan Tessier, president of Mediamark, notes "a long-overdue" recognition of the importance of smaller households among marketing planners.

"The emphasis has been on heavy users for too long," Tessier explains, "the 30 percent of people who buy 80 percent of a product. Most of the time you're just looking at a lot of large households who use a lot of Product X. What you can lose with the heavy user concept is the realization that a demographic variable—such as black or a one-person household—might be the critical variable that supports that brand's franchise. This is important to advertisers who want to select media that talk to the right people, but it's obviously just as important to anybody's who's responsible for deciding the number of facings an item merits on a supermarket shelf."

Besides the compulsion to recognize the rising tide in one-person households because of their sheer number, there's an increased willingness to respect their "per capita" rather than "per household" layout.

In addition to data on the three often-underrecognized demographic groups described above, each chart shows the buying habits of two groups that are often the core of many market plans:

☐ 35-to-44 households
☐ Households with working women

While both these groups spend freely in a wide range of products, especially household staples, the differences in the consumption patterns—from each other as well as from the other three groups—confirms the necessity for recognizing exactly *who* your customers are, not just how much money they have to spend. ■

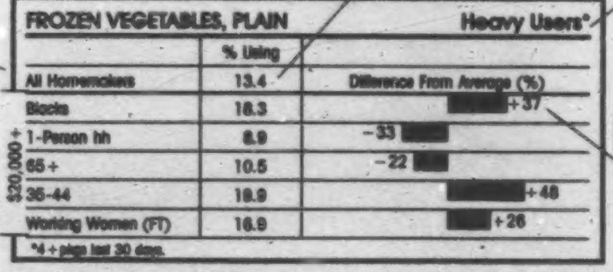
How to Read the Charts

Products are divided into 19 major categories ranging from Baby Products to Tobacco. To find a particular category, see Contents Page.

For most grocery products the base group is All (Female) Homemakers. Products with personal consumption by both sexes, such as soft drinks, beer, tobacco and remedies, are reported on with a base of Total Adults. In the case of products used primarily by one sex, data are based on Total Men or Total Women.

The figure on the top line represents the percent of the total population base (in this case female homemakers) who report they use the product. Usage by each of the five subgroups may be the same, higher or lower.

In the case of products with low-incidence usage (e.g. frozen yogurt drinks) data are for All Users. But for products used by a majority of households, more meaningful and discriminating Heavy Users statistics are shown. The definition of Heavy Users, which varies by product, is shown at the bottom of each chart.



For each of the five demographic breakouts, usage figures are based only on those in households with an annual income of $20,000 and over.

For easy assessment of each group's performance relative to the total population, the degree to which usage is higher or lower is plotted. As the percent of upper-income blacks using plain frozen vegetables (18.3%), for example, is 37% higher than the figure for all homemakers (13.4%) they are 37% more likely to be purchasers.

Mining Hidden Treasures From the Mediamark Database

What magazines we read, what television programs we watch, what we buy, eat, drink and more—in short almost everything an empirically minded marketer could want to know about the American consumer—lives in the Mediamark Research Inc. (MRI) database.

To serve its advertising agency, advertiser and media subscribers, MRI supplies data based on 40,000 interviews covering readership of almost 250 magazines, radio and TV habits, as well as 450 categories of products and services. Sampling procedures assure accurate projection to the entire U.S. population.

While many subscribers have on-line access to MRI statistics and can retrieve information of the type shown in this report relating demographics to product usage, this exclusive first-time look at five upper income subgroups of consumers was specially produced by MRI for SUPERMARKET BUSINESS readers, making these comparisons available for the first time.

Alan Tessier, president of MRI, sees this study as "a timely reaction to the growing trend among marketers to look behind the old broad definitions of who's a buyer and fine-tune some more meaningful definitions."

In addition to publishing 20 volumes covering the results of its research each year, MRI also produces special reports, including:

Upper Deck Report—how the top 10 percent spend.

Consumer Innovators Report—who buys what first.

10 Mediamarket Reports—the source of SB's June 1984 cover story.

Business-to-Business Report—a study of 33 business purchase categories.

Tessier predicts the next logical step in making syndicated research data more useful will be to assemble software packages (e.g. containing all the information available on yogurt users) for the manipulation of the data on a personal computer. Creative new marketing and media plans, could result.

(For information on MRI services, contact Sylvia Cassel, Vice President Sales Administration, Mediamark Research Inc., 341 Madison Ave., N.Y., N.Y. 10017. Tel. 212-599-0444.)

NOTE TO READERS: The MRI data presented in this report are under copyright by Mediamark Research Inc., and are presented here with their permission.

THE FIVE GROUPS: HOW LIKE THE U.S. AVERAGE?

	Total Homemakers	$30,000+				
		Blacks	1-Person Households	65+	35-44	Working Women (FT)
Education						
Graduated college	13.2%	+77%	+202%	+30%	+46%	+84%
Attended college	16.0	+34	+29	+24	+35	+39
Graduated high school	41.9	−5	−21	−11	+6	−3
Did not grad. high school	28.9	−47	−78	−11	−80	−55
EMPLOYMENT						
Full-time	40.1	+86%	+68%	−88%	+45%	+180%
Part-time	9.2	−54	−70%	−26	+36	—
Not employed	50.8	−58	−41	+74	−42	—
REGION						
New England	5.9	−73	+7	+16	−11	+2
Mid-Atlantic	18.2	+54	+6	−1	+20	+9
East Central	13.2	−23	−17	−41	+10	−6
West Central	−8	+5	−18	+6	+4	
South East	17.8	+44	−37	+11	−26	−21
South West	12.2	−46	−7	−21	−4	−2
Pacific	16.4	−20	+34	+14	−2	+13
SMSA						
Central City	36.5	+89	+28	+19	−8	+6
Suburban	40.7	−33	+3	−11	+17	+15
Non SMSA	23.8	−76	−43	−10	−18	−34
MARITAL STATUS						
Single	9.3	+39	+315	−71	−71	+28
Married	65.8	−1	−98	+2	+32	+12
Other	24.9	−12	+132	+21	−57	−40
SIZE OF HOUSEHOLD						
One-person	15.8	−74	+534	+25	−93	−58
Two-person	30.6	−32	—	+97	−61	−1
3-4 person	38.4	−4	—	−57	+35	+16
5+ person	15.3	+230	—	−77	+116	+20
RACE						
White	87.7	—	+8	+8	+3	+1
Black	10.2	+898	−48	−43	−38	−5
Other	2.2	—	−33	−93	−1	+3

Upper income black homemakers are likely to have gone to college, to work full-time, and to live in the central city, often in the Mid-Atlantic or South East. What they buy is different from other affluents—and from other blacks, too.

High Income Level Is Shared But Tastes Are Certainly Not

Here are some figures that have been exerpted from the individual product category sections in this report. Compared to national averages the five groups are often as different from each other in their consumption patterns as fire from ice.

While a +100 percent would show a level *twice* the national average, in many cases the difference is much greater. Seniors, for example, are 130 percent greater in their incidence of egg substitutes consumption than the population as a whole, while blacks are 135 percent higher in their incidence of instant hot lunches consumption.

Figures on below-average consumption showing equally astounding variation.

BLACKS ($30,000+)

ABOVE AVERAGE USAGE	
Malt liquor (A)	+222
Instant hot lunches	+135
Milkshakes/milkshake mixes	+130
Ready-to-eat sweet rolls/pastries	+123
Frozen yogurt	+141
Frozen complete breakfast	+122
Yogurt drinks	+250
Party/pop/sangria wine (A)	+126
Hair conditioners (M)	+117
Hair coloring products (M)	+139
Deodorants/anti-perspirants (M)	+114
Feminine hygiene deodorant sprays (W)	+133

BELOW AVERAGE USAGE	
Ground coffee	−81
Dishwashing liquid	−77
Suntan/sunscreen products	−69
Sunburn remedies (A)	−66
Moist dog food	−63
Chewing/smokeless tobacco (M)	−60
Shampoo (M)	−60
Dry cat food	−56
Dry dog food	−56
Vitamins (A)	−53
Soaps/detergents, regular laundry	−54
Cat litter	−52
Eye shadow (W)	−51
Pretzels	−50

WORKING WOMEN, FULL-TIME ($30,000+)

ABOVE AVERAGE USAGE	
Diet pills (A)	+64
Cola drinks, diet (A)	+56
Books (A)	+56
Aperitif and specialty wines (A)	+56
Sparkling/cold duck/champagne	+55
Lip balm (A)	+53
Cordial/liqueurs (A)	+52
Suntan/sunscreen products (A)	+49
Eye shadow (W)	+46
Wine, imported dinner table (A)	+42
Pantyhose/stockings	+41
Frozen main courses	+41
Vitamins	+40
Tequila	+40
Tampons	+37
Wine, domestic dinner table	+36
Video tapes/discs (purchase)	+36
Dental floss	+34

WORKING WOMEN, FULL-TIME ($30,000+)

BELOW AVERAGE USAGE	
Beer, regular domestic (A)	−47
Motor Oil (A)	−34
Denture Cleaners (A)	−33
Home permanents (W)	−19

35-44 ($30,000+)

ABOVE AVERAGE USAGE	
Pretzels	+100
Video discs/tapes (purchase) (A)	+82
Frozen orange juice	+80
Fabric softeners	+78
Drink additives	+78
Soaps/detergents, regular laundry	+75
Yogurt drinks	+73
Frozen complete breakfasts	+72
Batteries	+72
Video tapes/discs (rental) (A)	+70
Cellophane tape	+69
Light bulbs	+67
Natural or imported cheese	+66
Moist cat food	+60
Canned dog food	+59
Automatic dishwashing deterg.	+59

BELOW AVERAGE USAGE	
Shampoo (M)	−65
Infant formula	−43
Soap for baby	−43
Liquid baby bath	−38
Infant cereal	−36
Face powder, loose (W)	−29
Hair color (M)	−27

65+ ($30,000+)

BELOW AVERAGE USAGE	
Fabric softeners	−79
Malt liquor (A)	−76
Drink additives	−73
Meat sticks	−77
Pretzels	−70
Canned stews	−73
Soaps/detergents/regular laundry	−72
Ketchup	−69
Shampoo (W)	−68
Video tapes/discs/rental (A)	−66
Shampoos (M)	−65
Potato chips	−64
Corn/tortilla chips	−64
Canned/jarred vegetables	−67
Diet pills (A)	−67

65+ ($30,000+)

ABOVE AVERAGE USAGE	
Water conditioners	+143
Laxatives	+135
Egg substitutes	+130
Denture cleaners (A)	+131
Liver sausage	+91
Metal polish	+84
Face cream/lotion (W)	+76
Salt substitute	+74
Hair coloring (M)	+72
Face powder, loose (W)	+72
Yogurt drinks	+67
Hair tonic/dressing (M)	+66
Pre-electric shave lotion (M)	+63
Regular loose tea	+53
Paper napkins	+52
Outdoor insecticides	+49
Vermouth	+101

ONE-PERSON HOUSEHOLDS ($30,000+)

ABOVE AVERAGE USAGE	
Shaving creams or gels (M)	+146
Pressed powder (W)	+110
Lipstick/lipgloss (W)	+94
Cognac (A)	+84
Foundation makeup (W)	+77
Frozen main courses	+73
Imported beer (A)	+67
Razor blades (M)	+63
Books (A)	+62
Cordials/liqueurs (A)	+63
Brandy (A)	+65
Scotch (A)	+60
Blusher (W)	+60
Regular loose tea	+60

BELOW AVERAGE USAGE	
Ketchup	−93
Frankfurters/weiners	−91
Peanut butter	−87
Mayonnaise	−82
Potato chips	−81
Soaps/detergents, regular laundry	−81
Fabric softeners	−81
Salt	−85
Pizza mixes	−80
Beans prepared in sauce	−78
Canned tomatoes	−78
Bacon	−78
Margarine	−77

NOTE: List omits feminine hygiene products, and baby foods/HBA.

One store's dust gatherers can be another store's fastest movers. Store planners who want to know what determines the difference are giving increased attention to matching demographics to product mix.

Where They Live—Zip Codes With Extra Buying Zip

Demographics of a feather often flock together. The best aid in spotting the nesting place of a particular species is not a pair of field glasses, but rather a computer loaded with demographic information.

CACI, originator of ACORN, (a marketing segmentation system that classifies U.S. households according to lifestyle, using a combination of socioeconomic, demographic and housing characteristics) has a database that is linked to that of MRI. As a special service to SUPERMARKET BUSINESS readers a special program was executed to seek out the three lowest-incidence groups among the five studied. Here are the findings:

BLACKS ($20,000+)

Zip and Location	% Blacks	Average 1985 Household Income (Vs. U.S. Average)
48221—Detroit, Mich.	69.5	+23.3%
11411—Jamaica, N.Y.	86.4	+34.4%
73121—Oklahoma City, Okla.	71.8	+50.5%
90305—Inglewood, Calif.	74.7	+11.5%

ONE-PERSON HOUSEHOLDS ($20,000+)

Zip and Location	% 1-Person HH	Average 1985 Household Income (Vs. U.S. Average)
21210—Baltimore, Md.	41.7	+41.4%
02108—Boston, Mass.	61.2	+14.3%
10022—N.Y., N.Y.	62.8	+48.4%
75225—Dallas, Texas	35.6	+51.4%
90211—Beverly Hills, Calif.	40.6	+20.7%
99540—Anchorage, Alaska	36.0	+51.7%
94595—Walnut Creek, Calif.	39.3	+28.0%

65-AND-OVER ($20,000+)

Zip and Location	% 65+	Average 1985 Household Income (Vs. U.S. Average)
33480—Palm Beach, Fla.	47.1	+75.9%
08512—Cranbury, N.J.	29.8	+38.6%
33548—Longboat Key, Fla.	48.7	+38.7%

Of course there are thousands of other zip codes with less pronounced, but still appreciable concentrations of these demographic groups. Store supervisors and store managers will recognize the degree to which their areas fit these descriptions.

(Statistics are copyrighted by CACI, Arlington, Virginia. For further information, call Collingwood Harris, 800-336-6600.)

The whole demographic composite—not just sex, as Freud had it—is destiny. An important part of that mix is income, but it's not the only part, as this report proves.

How To Use This Report

If the manager of the Publix supermarket on Bay Isles Parkway in Longboat Key, Fla. (located in an area identified by CACI as having almost half its population over 65, and with a median household income estimated at $34,158 for 1985), were to trade places for a week with the manager of the Food Emporium on Manhattan's First Avenue (median income $34,795, and 63% one-person households) chances are they'd both suffer culture shock.

While everyone likes to have affluent customers, the realization that they're not a homogeneous, free-spending mass is gaining new currency.

While many are the older boomers (35 to 44) or the full-time working women that have long been identified as primary targets, not everyone is lucky enough to run a supermarket that's surrounded by them.

The three other groups studied in this report—upper income blacks, seniors and one-person households—have money to spend too. And, when they shop, each group wants to find a selection of the products he or she wants to buy, not just the products that have been identified as favorites of some idealized upper income household.

Chances are a good portion of your customers are above the $20,000 level. By taking the next step, and pegging which of the five groups reported on here they belong to, and then studying their unique product preferences, you can improve your sales and customer satisfaction overnight.

Here are just a few of the steps you might consider:

- Evaluate the amount of space given to each department. Is the baby section getting its proper share of space? How about soft drinks vis-à-vis alcoholic beverages?
- Within departments, does space allocation reflect the realities of your customers' preferences? While affluent blacks are above average in their prefrence for non-diet soft drinks, working women go for the diet varieties. Is failure to realize this leading to out of stocks?
- When evaluating new items, consider the potential of items in a product category where usage by your customers is proved to be 50% **above** the national average, rather than one where it's 50% below the average.
- Giving your best end-aisle spots to products in categories where your particular mix of customers buy relatively little can't be justified on the basis of the tempting allowance you're getting from the manufacturer. Look for deals on products which fit your customer's preferences and watch the displays sell down quickly.
- Review your printouts of what's selling (or not) with your buyers and store supervisors. To what degree can slow sellers be explained by your customer demographics and certain lines be cut back or eliminated? And how can their space be filled with a better selection in product categories they really favor?

BREAKFAST FOODS/BAKED GOODS

Time-Saver Breakfasts Get the Day Off to a Running Start

Whether it's taken alone or as a family affair, breakfast is the meal when strong individual tastes can most easily be indulged. Convenient new prepared foods have made their way into the breakfast foods aisle of the supermarket in recent years, and apparently have become part of the morning ritual in many upper-income households.

Both breakfast drinks and toaster products are favorites in black and 35-to-44 households, while breakfast/snack bars find their constituency among both 35-to-44's and those busy, full-time working women. Baked goods have the broadest appeal in 35-to-44 households, along with peanut butter and jam for toppings.

You don't have to be an Anglophile to pop an English muffin in the toaster, but an above-average income is a concomitant. Upper-income blacks more than double the national incidence of sweet roll (cinnamon rolls, etc.) usage.

READY-TO-EAT SWEET ROLLS/PASTRIES — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	11.7	
	Blacks	26.1	+123
$20,000+	1-Person hh	3.0	−75
	65+	7.9	−33
	35-44	13.8	+18
	Working Women (FT)	12.3	+5

*3+ pkgs last 30 days.

ENGLISH MUFFINS — All Users

		% Using	Difference From Average (%)
	All Homemakers	42.7	
	Blacks	45.7	+7
$20,000+	1-Person hh	44.8	+5
	65+	46.8	+10
	35-44	56.7	+33
	Working Women (FT)	51.4	+20

With the exception of cold cereals in 35-to-44 (above average in size) households, upper income households in these five demographic groups are below average in their propensity for cold and hot cereals.

BREAKFAST CEREALS, COLD — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	22.1	
	Blacks	20.0	−9
$20,000+	1-Person hh	5.6	−74
	65+	17.4	−21
	35-44	28.4	+29
	Working Women (FT)	21.8	−2

*9+ portions last 7 days.

BREAKFAST CEREALS, HOT — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	12.2	
	Blacks	13.3	+9
$20,000+	1-Person hh	4.8	−61
	65+	11.9	−3
	35-44	12.0	−2
	Working Women (FT)	10.4	−15

*4+ portions last 7 days.

On-the-run black and 35-to-44 households find both powdered breakfast drinks and toaster products agreeable ways of starting the day with minimum preparation time but without skipping that most important meal.

BREAKFAST DRINKS, POWDERED, FRUIT FLAV. — All Users

		% Using	Difference From Average (%)
	All Homemakers	11.7	
	Blacks	15.4	+32
$20,000+	1-Person hh	6.0	−49
	65+	9.9	−15
	35-44	17.5	+50
	Working Women (FT)	11.1	−5

TOASTER PRODUCTS — All Buyers

		% Using	Difference From Average (%)
	All Homemakers	17.5	
	Blacks	27.6	+58
$20,000+	1-Person hh	9.1	−48
	65+	6.9	−60
	35-44	25.4	+45
	Working Women (FT)	20.3	+16

A relatively "new" food, the breakfast/snack bar appeals more to younger than to older homemakers, including time-pressed working women. Honey, one of the "oldest" foods, is a favorite among those 65 and older.

BREAKFAST/SNACK BARS — All Users

		% Using	Difference From Average (%)
	All Homemakers	18.4	
	Blacks	15.4	−17
$20,000+	1-Person hh	19.3	+5
	65+	16.2	−12
	35-44	24.8	+35
	Working Women (FT)	23.2	+26

HONEY — All Users

		% Using	Difference From Average (%)
	All Homemakers	34.0	
	Blacks	31.5	−7
$20,000+	1-Person hh	32.7	−4
	65+	40.5	+19
	35-44	40.9	+20
	Working Women (FT)	33.2	−2

The 35-to-44 households have a lot of mouths to feed and the money to do so, especially when treats such as cookies are called for. The far-below-average cookie consumption by live-alones belies their reputations as secret snackers.

COOKIES, READY-TO-EAT — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	21.8	
	Blacks	24.6	+13
$20,000+	1-Person hh	9.8	−55
	65+	18.8	−14
	35-44	29.6	+36
	Working Women (FT)	22.9	+5

*4+ pkgs last 30 days.

STUFFING MIXES/STUFFING PRODUCTS — All Users

		% Using	Difference From Average (%)
	All Homemakers	34.5	
	Blacks	37.0	+7
$20,000+	1-Person hh	21.4	−38
	65+	35.9	+4
	35-44	40.6	+18
	Working Women (FT)	37.0	+7

		BREAD* *5+ loaves last 7 days		BREAD CRUMBS, COATING MIXES		PEANUT BUTTER* *3+ jars last 30 days		JAMS/JELLIES* *3+ jars last 30 days		PANCAKE/ WAFFLE MIX	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	14.8	—	35.8	—	8.3	—	10.2	—	46.7	—
	Blacks	17.2	+16	30.7	−14	5.6	−32	7.5	−26	50.6	+8
$20,000+	1-Person hh	3.8	−74	28.9	−19	1.1	−87	3.5	−66	23.9	−49
	65+	9.1	−39	38.5	+7	3.9	−53	8.0	−21	40.6	−13
	35-44	19.4	+31	43.9	+23	12.2	+47	12.9	+26	54.3	+16
	Working Women (FT)	12.9	−13	37.9	+6	8.0	−4	9.3	−9	45.8	−2

Source: Mediamark Research Inc.

BABY PRODUCTS

More Than Small Change for the Care and Feeding of Black Babies

Upper-income black homemakers represent a prime target for teething remedies, a product used by one-third of households with a child under two. "Baby foods" includes strained foods, juice, meats and junior foods.

TEETHING REMEDIES — All Users

		% Using	Difference From Average (%)
	All Homemakers	4.4	
$20,000+	Blacks	5.5	+26
	1-Person hh	—	—
	65+	0.2	-96
	35-44	2.0	-55
	Working Women (FT)	3.3	-26

BABY FOODS — All Users

		% Using	Difference From Average (%)
	All Homemakers	6.8	
$20,000+	Blacks	8.1	+18
	1-Person hh	3.2	-53
	65+	1.2	-84
	35-44	4.7	-32
	Working Women (FT)	6.0	-11

Prepared infant formulas include both ready-to-feed and concentrated (dilute with water). Although usage by black adults of vitamins is below average (see HBA-Adults), they are high-incidence buyers of children's vitamins.

INFANT FORMULA PREPARED — All Users

		% Using	Difference From Average (%)
	All Homemakers	5.0	
$20,000+	Blacks	4.6	- 8
	1-Person hh	0.3	-94
	65+	0.7	-86
	35-44	2.9	-43
	Working Women (FT)	4.1	-18

VITAMINS, CHILDREN'S — All Users

		% Using	Difference From Average (%)
	All Homemakers	15.0	
$20,000+	Blacks	26.8	+79
	1-Person hh	1.4	-91
	65+	0.8	-95
	35-44	17.4	+16
	Working Women (FT)	14.3	- 5

Both baby oil and baby powder have proved too versatile to be restricted to toddlers. Working women and 35-to-44's, as well as blacks, are above-average users of the two products.

BABY OIL — All Users

		% Using	Difference From Average (%)
	All Homemakers	18.6	
$20,000+	Blacks	21.7	+17
	1-Person hh	9.8	-47
	65+	8.0	-57
	35-44	22.0	+18
	Working Women (FT)	21.1	+14

BABY POWDER — All Users

		% Using	Difference From Average (%)
	All Homemakers	20.7	
$20,000+	Blacks	25.1	+21
	1-Person hh	11.5	-44
	65+	6.5	-69
	35-44	23.7	+14
	Working Women (FT)	22.5	+ 8

Teething pain
Baby orajel
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Orajel—the top selling line

Seven out of 10 female homemakers have a child under two years old on their hands. That rate doubles for those 25 to 34 and triples where the homemaker is between 18 and 24. By definition (too old or live-alone), most of our target groups fall outside peak baby-care territory. Black homemakers, however, with a 21 percent higher incidence of toddlers on the premises, are above-average consumers of baby feeding and baby items.

With so many "adult" formulations to choose from, adults are more likely to leave baby shampoo to the little ones these days. In general, blacks are above-average users of skin care products, borne out by baby lotion consumption.

BABY LOTION — All Users

		% Using	Difference From Average (%)
	All Homemakers	9.6	
	Blacks	17.9	+87
$20,000+	1-Person hh	2.7	−72
	65+	2.4	−75
	35-44	8.3	−13
	Working Women (FT)	9.3	−4

BABY SHAMPOO — All Buyers

		% Using	Difference From Average (%)
	All Homemakers	16.0	
	Blacks	15.6	−3
$20,000+	1-Person hh	5.3	
	65+	3.8	
	35-44	15.7	−2
	Working Women (FT)	15.0	−7

While usage of these children's remedies is almost non-existent for older and live-alone households, 35-to-44's and working women households are only slightly below average, and black households are confirmed buyers.

CHILDREN'S COLD TABLETS — All Users

		% Using	Difference From Average (%)
	All Homemakers	8.2	
	Blacks	13.6	+67
$20,000+	1-Person hh	—	−100
	65+	0.3	−96
	35-44	6.9	−15
	Working Women (FT)	7.7	−6

CHILDREN'S COUGH SYRUP — All Users

		% Using	Difference From Average (%)
	All Homemakers	11.9	
	Blacks	16.2	+36
$20,000+	1-Person hh	1.5	−87
	65+	0.5	−94
	35-44	11.8	−1
	Working Women (FT)	10.7	−10

Correct skin care regimens start early in black households, as evidenced by the above-average consumption of both soap specially formulated for babies and liquid baby bath.

LIQUID BABY BATH — All Users

		% Using	Difference From Average (%)
	All Homemakers	4.7	
	Blacks	7.0	+51
$20,000+	1-Person hh	1.1	−75
	65+	0.2	−95
	35-44	2.9	−38
	Working Women (FT)	4.1	−12

SOAP FOR BABY — All Users

		% Using	Difference From Average (%)
	All Homemakers	7.5	
	Blacks	11.8	+56
$20,000+	1-Person hh	1.1	−86
	65+	0.8	−89
	35-44	4.3	−43
	Working Women (FT)	6.4	−15

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ENTERTAINMENT BEVERAGES

The Two Worlds of Diet and Non-Diet Drink Choices

In no section of the supermarket is a precise reading of customer tastes more critical than for the four types of beverages shown here—soft drinks, beer, wine and liquor. While upper income blacks, for example, are avid consumers of regular soft drinks and colas, over the diet varieties, the picture flips for working women, who also favor low-calorie beer. One-person households are a prime target for all three kinds of beer, domestic regular, low calorie and imported, as well as for ale. Stores with an upper-income clientele find an eager market for both domestic and imported table wines, as well as for bottled water.

A schism runs through our five groups as far as cola choice, and it's based on calories, or the absence thereof. While blacks are dedicated drinkers of regular colas, working women and 35-to-44's think fewer is more.

COLA DRINKS, REGULAR — **Heavy Users***

		% Using	
	All Adults	15.3	Difference From Average (%)
	Blacks	21.2	+30
$20,000 +	1-Person hh	10.0	−35
	65 +	6.2	−59
	35-44	15.9	+ 4
	Working Women (FT)	13.4	−13

*8 + drinks last 7 days.

COLA DRINKS, DIET — **Heavy Users***

		% Using	
	All Adults	14.2	Difference From Average (%)
	Blacks	8.4	−41
$20,000 +	1-Person hh	14.5	+ 2
	65 +	8.7	−39
	35-44	18.3	+29
	Working Women (FT)	22.2	+56

*8 + drinks last 7 days.

The time of rolling out the barrel may be long past, but picking up the six-pack is frequent in upper-income one-person households. As with colas, both working women and 35-to-44's search out low-calorie formulations.

BEER, REGULAR DOMESTIC — **Heavy Users***

		% Using	
	All Adults	14.6	Difference From Average (%)
	Blacks	10.6	−28
$20,000 +	1-Person hh	16.7	+14
	65 +	8.0	−45
	35-44	12.2	−16
	Working Women (FT)	7.8	−47

*7 + glasses last 7 days.

BEER, DOMESTIC LOW CALORIE — **All Users**

		% Using	
	All Adults	15.7	Difference From Average (%)
	Blacks	11.9	−24
$20,000 +	1-Person hh	18.6	+19
	65 +	8.8	−44
	35-44	18.2	+16
	Working Women (FT)	19.2	+23

One-person households show the universality of their taste for beer by leading in consumption of imported beer, too. Malt liquor remains something of a phenomenon, a product category that is the almost exclusive province of blacks.

BEER, IMPORTED — **All Users**

		% Using	
	All Adults	12.7	Difference From Average (%)
	Blacks	14.5	+14
$20,000 +	1-Person hh	21.3	+67
	65 +	7.9	−38
	35-44	12.2	− 4
	Working Women (FT)	11.4	−10

MALT LIQUOR — **All Users**

		% Using	
	All Adults	5.0	Difference From Average (%)
	Blacks	16.1	+222
$20,000 +	1-Person hh	2.6	−49
	65 +	1.2	−75
	35-44	3.3	−33
	Working Women (FT)	3.6	−27

While consumption of wine in the eighties has failed to maintain the trajectory once predicted for it, it's still the beverage of choice among many upper income households, with almost across-the-board popularity with all five demographic groups.

WINE, DOMESTIC DINNER TABLE — **All Users**

		% Using	
	All Adults	30.2	Difference From Average (%)
	Blacks	25.2	−17
$20,000 +	1-Person hh	44.4	+47
	65 +	38.4	+27
	35-44	36.1	+20
	Working Women (FT)	41.0	+36

WINE, IMPORTED DINNER TABLE — **All Users**

		% Using	
	All Adults	15.9	Difference From Average (%)
	Blacks	22.4	+41
$20,000 +	1-Person hh	23.0	+45
	65 +	11.2	−30
	35-44	19.7	+24
	Working Women (FT)	22.6	+42

Once reserved for special occasions, sparkling wines are gaining new currency as a bar, or everyday drink in this country. Only seniors demur somewhat, but then their consumption of vermouth at twice the national rate suggests a loyalty to the martini.

WINE, SPARKLING/COLD DUCK/CHAMPAGNE — **All Users**

		% Using	
	All Adults	15.3	Difference From Average (%)
	Blacks	20.0	+30
$20,000 +	1-Person hh	22.3	+45
	65 +	13.2	−14
	35-44	19.3	+26
	Working Women (FT)	23.7	+55

VERMOUTH — **All Users**

		% Using	
	All Adults	4.1	Difference From Average (%)
	Blacks	6.3	+53
$20,000 +	1-Person hh	4.3	+ 5
	65 +	8.2	+101
	35-44	3.9	− 4
	Working Women (FT)	4.1	+ 1

Continued on page 43

Source: Mediamark Research Inc.

ENTERTAINMENT BEVERAGES

As with cola drinks, regular soft drinks elicit a strong liking for the traditional formulations among blacks and for the low-calorie varieties among working women, reinforcing the importance of the right display in the right store.

Across the board—but particularly among blacks—upper income households represent a good audience for the bottled water section. They're all attracted to dessert wines, port and sherry as well.

Both party wines and aperitifs have low overall usage, but can do well if positioned to the right clientele, including upper income blacks and working women. Seniors pass on party wines.

The increasing availability and popularity of ale hasn't penetrated these upper income groups, with the notable exception of live-alones. The only upper income group to eschew scotch, however, is working women.

The rage to consume piña coladas and other new "resort" cocktails has helped swell the consumption of rum, a particular favorite with blacks. Live-alones are most likely to include cordials and liqueurs in their liquor cabinets.

Its former preeminence long-ago usurped by vodka, gin still has it fans among the affluent, particularly live-alones, blacks and seniors. As the margarita goes, so goes tequila—farthest, apparently, among working women.

J.R. Ewing's penchant for bourbon and branch hasn't rubbed off against other upper income drinkers except for seniors and live-alones. Vodka's across-the-board popularity excels among single and working women households.

SOFT DRINKS, REGULAR (NOT COLA)

All Users

		% Using	Difference From Average (%)
	All Adults	41.5	
$20,000+	Blacks	47.5	+15
	1-Person hh	37.3	−10
	65+	36.9	−11
	35-44	43.2	+4
	Working Women (FT)	40.3	−3

SOFT DRINKS, DIET (NOT COLA)

All Users

		% Using	Difference From Average (%)
	All Adults	26.1	
$20,000+	Blacks	21.6	−17
	1-Person hh	24.3	−7
	65+	26.5	+1
	35-44	23.6	+9
	Working Women (FT)	33.6	+28

WATER, BOTTLED

All Users

		% Using	Difference From Average (%)
	All Homemakers	10.9	
$20,000+	Blacks	21.5	+98
	1-Person hh	14.7	+35
	65+	11.5	+6
	35-44	14.0	+20
	Working Women (FT)	12.9	+19

WINE, DESSERT/PORT/SHERRY

All Users

		% Using	Difference From Average (%)
	All Adults	5.8	
$20,000+	Blacks	10.2	+74
	1-Person hh	9.0	+54
	65+	8.0	+37
	35-44	6.2	+.6
	Working Women (FT)	7.2	+23

WINE, PARTY/POP/SANGRIA

All Users

		% Using	Difference From Average (%)
	All Adults	4.8	
$20,000+	Blacks	10.9	+126
	1-Person hh	3.4	−29
	65+	1.8	−63
	35-44	4.5	−6
	Working Women (FT)	6.2	+28

WINES, APERTIF & SPECIALTY

All Users

		% Using	Difference From Average (%)
	All Adults	1.8	
$20,000+	Blacks	3.3	+83
	1-Person hh	2.2	+25
	65+	1.7	−4
	35-44	2.4	+36
	Working Women (FT)	2.8	+56

ALE

All Users

		% Using	Difference From Average (%)
	All Adults	6.1	
$20,000+	Blacks	5.5	−10
	1-Person hh	9.3	+51
	65+	3.0	−51
	35-44	5.3	−13
	Working Women (FT)	4.8	−22

SCOTCH WHISKEY

All Users

		% Using	Difference From Average (%)
	All Adults	10.3	
$20,000+	Blacks	15.7	+52
	1-Person hh	16.6	+60
	65+	15.2	+47
	35-44	11.3	+9
	Working Women (FT)	8.9	−14

RUM

All Users

		% Using	Difference From Average (%)
	All Adults	13.7	
$20,000+	Blacks	24.0	+75
	1-Person hh	16.8	+22
	65+	7.4	−46
	35-44	13.8	+1
	Working Women (FT)	17.7	+29

CORDIALS/LIQUEURS

All Users

		% Using	Difference From Average (%)
	All Adults	16.8	
$20,000+	Blacks	11.5	−32
	1-Person hh	27.4	+63
	65+	16.5	−2
	35-44	20.6	+22
	Working Women (FT)	25.6	+52

GIN

All Users

		% Using	Difference From Average (%)
	All Adults	11.9	
$20,000+	Blacks	15.3	+28
	1-Person hh	17.0	+43
	65+	14.8	+24
	35-44	12.7	+7
	Working Women (FT)	12.8	+7

TEQUILA

All Users

		% Using	Difference From Average (%)
	All Adults	7.0	
$20,000+	Blacks	2.8	−59
	1-Person hh	8.2	+17
	65+	3.6	−49
	35-44	7.2	+2
	Working Women (FT)	9.8	+40

BOURBON

All Users

		% Using	Difference From Average (%)
	All Adults	12.0	
$20,000+	Blacks	11.6	−3
	1-Person hh	16.6	+39
	65+	13.7	+14
	35-44	9.8	−19
	Working Women (FT)	10.3	−14

VODKA

All Users

		% Using	Difference From Average (%)
	All Adults	17.5	
$20,000+	Blacks	17.8	+2
	1-Person hh	24.5	+40
	65+	18.2	+4
	35-44	17.0	−3
	Working Women (FT)	21.0	+20

Source: Mediamark Research Inc.

FAMILY BEVERAGES

In Their Cups, Affluents Show a Wide Range of Favorites

Brewed or instant, hot or cold, regular or decaffeinated—coffee and tea are beverages that provoke intense personal preferences in style of consumption. Live-alones are more likely than our other groups to use loose tea, blacks to use iced tea and seniors to use instant coffee. In addition, blacks show strong preferences for instant tea, powdered soft drinks and energy drinks, but little interest in other forms of tea or in either ground or instant coffee. Seniors are a standout market for dry milk (one-third above average) as well as for tomato/vegetable juices.

Traditionalist seniors still make a cup of coffee either instant or ground, a keystone of their day. A wide selection of decaffeinated brews offers them taste without health worries.

COFFEE, INSTANT OR FREEZE-DRIED

All Users

		% Using	Difference From Average (%)
	All Homemakers	46.3	
$20,000+	Blacks	40.5	−13
	1-Person hh	48.4	+ 5
	65 +	56.6	+22
	35-44	42.0	− 9
	Working Women (FT)	40.6	−12

COFFEE, GROUND

Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	14.5	
$20,000+	Blacks	2.7	−81
	1-Person hh	5.9	−59
	65 +	15.8	+ 9
	35-44	19.1	+32
	Working Women (FT)	16.7	+15

*7 + cups used average per day.

Tea as ritual is making inroads in America. But while one-person households and seniors may take comfort in "a nice cup of tea" brewed from leaves, blacks are likely to opt for a refreshing iced version.

ICED TEA MIX, INSTANT

All Users

		% Using	Difference From Average (%)
	All Homemakers	23.3	
$20,000+	Blacks	31.5	+35
	1-Person hh	17.4	−25
	65 +	20.2	−13
	35-44	24.8	+ 6
	Working Women (FT)	26.7	+15

TEA, REGULAR LOOSE

All Users

		% Using	Difference From Average (%)
	All Homemakers	6.7	
$20,000+	Blacks	4.3	−35
	1-Person hh	10.7	+60
	65 +	10.3	+53
	35-44	6.8	+ 1
	Working Women (FT)	7.2	+ 7

Leaves, powder or bags, tea requires little more than the addition of boiling water. Both blacks and seniors find powder (i.e., instant) a good bet, while 35-to-44's like to bag it.

TEA, INSTANT

All Buyers

		% Using	Difference From Average (%)
	All Homemakers	23.3	
$20,000+	Blacks	34.9	+50
	1-Person hh	17.6	−24
	65 +	30.0	+29
	35-44	23.2	—
	Working Women (FT)	22.1	− 5

TEA, REGULAR

Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	14.6	
$20,000+	Blacks	8.7	−40
	1-Person hh	5.6	−62
	65 +	10.7	−27
	35-44	18.1	+24
	Working Women (FT)	14.6	—

*4 + cups used average per day.

Powdered or dry, milk is a reliable form of insurance against either running out of fresh milk or having it go sour. Over-65 homemakers are the most likely to rely on it.

MILK, DRY

All Users

		% Using	Difference From Average (%)
	All Homemakers	16.0	
$20,000+	Blacks	14.0	−12
	1-Person hh	13.4	−16
	65 +	21.2	+33
	35-44	14.6	− 8
	Working Women (FT)	13.6	−15

CREAM SUBSTITUTES, NON-DAIRY

All Buyers

		% Using	Difference From Average (%)
	All Homemakers	22.7	
$20,000+	Blacks	23.3	+3
	1-Person hh	21.3	−6
	65 +	23.5	+3
	35-44	23.4	+3
	Working Women (FT)	21.9	− 4

Both powdered soft drinks and milkshakes and milkshake mixes are most likely to be bought where children are in the household, which explains why only live-alones and seniors are below average.

POWDERED SOFT DRINK

All Users

		% Using	Difference From Average (%)
	All Homemakers	33.5	
$20,000+	Blacks	42.2	+26
	1-Person hh	12.0	−64
	65 +	15.3	−54
	35-44	46.4	+39
	Working Women (FT)	38.0	+13

MILKSHAKES/MILKSHAKE MIXES

All Users

		% Using	Difference From Average (%)
	All Homemakers	3.1	
$20,000+	Blacks	7.1	+130
	1-Person hh	2.5	−20
	65 +	1.3	−58
	35-44	3.8	+23
	Working Women (FT)	3.8	+22

Among the 65 + households, tomato and vegetable juices are a favorite source of energy. The new, often exercise-related, energy drinks, however, have found special favor with upper-income blacks.

TOMATO/VEGETABLE JUICES

All Users

		% Using	Difference From Average (%)
	All Homemakers	37.1	
$20,000+	Blacks	23.6	−36
	1-Person hh	37.6	+ 1
	65 +	46.5	+25
	35-44	46.4	+25
	Working Women (FT)	39.0	+ 5

ENERGY DRINKS

All Users

		% Using	Difference From Average (%)
	All Homemakers	6.9	
$20,000+	Blacks	8.6	+25
	1-Person hh	3.1	−55
	65 +	5.1	−26
	35-44	6.9	
	Working Women (FT)	5.7	−17

Source: Mediamark Research Inc.

CANDY/SNACKS

When It's a Question of a Treat, Each Group Has Its Own Treatment

When the symptom is a sudden attack of the munchies, the prescription is often some variety of candy or snack. Affluent older consumers often choose loose candy, cough drops or nuts, but seldom seek solace and satisfaction in potato chips or corn chips and almost never in meat sticks. Blacks, however, are prime meat stick snackers and satisfy their sweet tooth with candy bars, snack cakes and hard roll candy. Stores located in areas with upper income, 35-to-44 households see their stock of potato and corn chips sell down quickly and stock accordingly. Live-alones apparently have developed a self-control that outlaws candy and snacks from their larders.

In severe contrast to the other $20,000+ groups shown here, one in four black adults qualifies as a heavy user of regular-sized candy bars. The mini-sized bars find favor with all but the live-alones.

CANDY BARS, REGULAR SIZE — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	15.8	
$20,000 +	Blacks	24.6	+56
	1-Person hh	9.2	−41
	65 +	10.8	−31
	35-44	14.1	−11
	Working Women (FT)	13.6	−14

*5 + last 7 days.

CANDY BARS, PKG. OF MINI — **All Users**

		% Using	Difference From Average (%)
	All Adults	26.8	
$20,000 +	Blacks	30.9	+15
	1-Person hh	18.4	−31
	65 +	31.5	+17
	35-44	27.5	+ 2
	Working Women (FT)	30.4	+13

Pre-packaged, loose candy (hanging bags or pillow pack) are favorites among seniors. Loose candy types include plain chocolate, chocolate covered, mints, hard candy and jellied candy.

CANDY, PRE-PACKAGED LOOSE — **All Users**

		% Using	Difference From Average (%)
	All Adults	28.3	
$20,000 +	Blacks	26.9	− 5
	1-Person hh	20.1	−29
	65 +	32.0	+13
	35-44	29.9	+ 6
	Working Women (FT)	32.6	+15

CHEWING GUM — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	30.3	
$20,000 +	Blacks	41.3	+36
	1-Person hh	20.8	−31
	65 +	14.0	−54
	35-44	31.9	+ 5
	Working Women (FT)	39.6	+31

Both non-prescription cough drops and nuts are favorites among adults aged 65 and over, outstripping the four other groups in the percent of heavy users.

COUGH DROPS — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	7.4	
$20,000 +	Blacks	8.1	+ 9
	1-Person hh	6.7	−10
	65 +	9.9	+33
	35-44	5.6	−24
	Working Women (FT)	7.5	

*6 + times last 30 days.

NUTS — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	11.0	
$20,000 +	Blacks	11.0	− 1
	1-Person hh	8.2	−26
	65 +	15.3	+38
	35-44	12.3	+11
	Working Women (FT)	12.0	+ 8

*4 + containers last 30 days.

Wide divergencies are the order of consumption patterns for potato chips and corn chips, with usage among 35-to-44 adults six to seven times that of one-person and 65 + households. Blacks favor potato over corn chips two to one.

POTATO CHIPS — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	19.0	
$20,000 +	Blacks	23.8	+26
	1-Person hh	3.7	−81
	65 +	6.8	−64
	35-44	28.4	+50
	Working Women (FT)	20.8	+10

CORN/TORTILLA CHIPS & CHEESE SNACKS — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	12.3	
$20,000 +	Blacks	11.8	− 4
	1-Person hh	3.0	−75
	65 +	4.5	−64
	35-44	18.3	+49
	Working Women (FT)	13.5	+10

*4 + pkgs last 30 days.

Both snack cakes and meat sticks are snacks of choice with upper income blacks. In the case of the latter product, they have little company among one-person or 65 + households.

SNACK CAKES — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	31.2	
$20,000 +	Blacks	38.9	+25
	1-Person hh	14.2	−54
	65 +	18.8	−40
	35-44	37.1	+19
	Working Women (FT)	32.6	+ 5

MEAT STICKS — **All Buyers**

		% Using	Difference From Average (%)
	All Adults	11.3	
$20,000 +	Blacks	13.3	+18
	1-Person hh	6.3	−44
	65 +	2.5	−77
	35-44	10.9	− 3
	Working Women (FT)	10.9	− 4

Topping out the list of snack products favored in above-average incidence by blacks are hard roll candy and mints, a fact to keep in mind when allocating checkout space in neighborhoods with upper-income blacks.

HARD ROLL CANDY — **All Buyers**

		% Using	Difference From Average (%)
	All Adults	20.0	
$20,000 +	Blacks	30.0	+50
	1-Person hh	15.2	−24
	65 +	14.0	−30
	35-44	20.6	+ 3
	Working Women (FT)	23.2	+16

MINTS — **All Buyers**

		% Using	Difference From Average (%)
	All Adults	35.9	
$20,000 +	Blacks	45.2	+26
	1-Person hh	33.1	− 8
	65 +	36.4	+ 1
	35-44	36.6	+ 2
	Working Women (FT)	42.6	+19

Source: Mediamark Research Inc.

PAPER & PLASTIC PRODUCTS

Count on Big-Family 35-to-44's to Paper the House

Typically with many members, 35-to-44 households use a large supply of paper and plastic products in their bedrooms, bathrooms and kitchens. Working women are also attuned to the many time-saving possibilities offered by this category in products like disposable plates and cups, paper towels and plastic garbage and food bags. The once all-powerful waxed paper (now largely replaced by plastic wrap and aluminum foil) maintains its limited franchise through the purchases of 65 + households. Of these five upper-income groups, only blacks show above-average purchase of disposable diapers.

Upper income black households present a good potential for disposable diaper sales. In stores serving areas where seniors predominate, the diaper space can profitably be surrendered to wax paper.

Specials on facial tissue and toilet paper find an appreciative audience in neighborhoods where 35-to-44's, working women and blacks predominate. Demand by one-person households is understandably less.

As pre-moistened cleansing wipes are often used to care for baby, usage levels are rock bottom among one-person and 65 + households. Wipes for household cleaning, however, find favor among seniors and blacks.

Plastic sandwich and food bags, a relatively new product, have found favor in the refrigerators of seniors, in contrast to their generally below-average consumption pattern for paper and plastic.

Blacks follow along with 35-to-44's and working women in embracing the convenience of disposable cups and oven cooking bags. Seniors show a surprisingly high familiarity with the cooking bags, too.

DISPOSABLE DIAPERS — **All Buyers**

		% Using	Difference From Average (%)
	All Homemakers	12.5	
$20,000 +	Blacks	14.6	+17
	1-Person hh	1.5	−88
	65 +	1.3	−89
	35-44	9.1	−27
	Working Women (FT)	11.3	− 9

WAXED PAPER — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	52.6	
$20,000 +	Blacks	43.7	−17
	1-Person hh	46.4	−12
	65 +	67.1	+28
	35-44	56.5	+ 7
	Working Women (FT)	51.1	−3

FACIAL TISSUES — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	24.6	
$20,000 +	Blacks	27.1	+10
	1-Person hh	20.3	−17
	65 +	23.9	− 3
	35-44	36.4	+48
	Working Women (FT)	28.7	+17

*3 + boxes last 30 days.

TOILET PAPER — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	30.3	
$20,000 +	Blacks	34.5	+14
	1-Person hh	8.6	−72
	65 +	19.0	−37
	35-44	47.3	+56
	Working Women (FT)	33.9	+12

*9 + rolls last 30 days.

DISPOSABLE HOUSEHOLD WIPES — **All Buyers**

		% Using	Difference From Average (%)
	All Homemakers	18.5	
$20,000 +	Blacks	22.7	+23
	1-Person hh	17.3	− 6
	65 +	24.2	+31
	35-44	17.7	− 4
	Working Women (FT)	17.5	− 5

PRE-MOISTENED CLEANING WIPES — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	13.0	
$20,000 +	Blacks	12.7	− 2
	1-Person hh	3.1	−76
	65 +	3.5	−73
	35-44	12.3	− 5
	Working Women (FT)	12.2	− 6

PLASTIC GARBAGE BAGS/TRASH CAN LINER — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	39.8	
$20,000 +	Blacks	41.6	+ 5
	1-Person hh	32.2	−19
	65 +	31.5	−21
	35-44	47.8	+20
	Working Women (FT)	44.8	+13

*3 + boxes last 30 days.

PLASTIC SANDWICH/FOOD BAGS — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	68.9	
$20,000 +	Blacks	65.0	− 6
	1-Person hh	57.0	−17
	65 +	68.1	− 1
	35-44	79.0	+15
	Working Women (FT)	75.8	+10

DISPOSABLE CUPS — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	36.3	
$20,000 +	Blacks	40.2	+11
	1-Person hh	27.4	−24
	65 +	32.0	−12
	35-44	47.4	+31
	Working Women (FT)	39.9	+10

OVEN COOKING BAGS — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	10.5	
$20,000 +	Blacks	13.5	+28
	1-Person hh	5.6	−4[illegible]
	65 +	10.7	+ 2
	35-44	13.6	+29
	Working Women (FT)	12.3	+17

		PAPER TOWELS 5 + rolls last 30 days.		DISPOSABLE PLATES		ALUMINUM FOIL 3 + rolls (25 ft.) last 30 days.		PAPER NAPKINS 3 + packs last 30 days.	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	19.6	—	50.6	—	9.5	—	8.8	—
$20,000 +	Blacks	18.3	− 7	42.6	−16	12.7	+35	15.5	+76
	1-Person hh	11.4	−42	36.7	−27	3.9	−58	4.1	−54
	65 +	18.1	− 8	35.2	−30	7.6	−20	13.4	+52
	35-44	28.4	+44	64.0	+26	14.0	+49	11.7	+33
	Working Women (FT)	22.9	+17	57.6	+14	9.5	—	9.2	+ 4

Source: Mediamark Research Inc.

HBA PRODUCT PERFORMANCE

Do the items in the top 20 percent really contribute 80 percent of sales? Not in HBA. But in 21 of the 37 categories analyzed, the top fifth does contribute 50 percent or better to sales and profits. Implication is that there's need for lots of analysis of sales and profits performance of the slower movers in the HBA department.

HOW FASTEST-MOVERS CONTRIBUTE TO TOTAL SALES AND MARGIN BY CATEGORY

It is common knowledge that the top selling items of a product category often account for a disproportionately large share of dollar sales and gross margin dollars. It is a marketing cliché that often 20 percent of items do 80 percent of the sales. While this may be true in some product categories, it is definitely not true in the vast majority of health-and-beauty aids sales in supermarkets.

To take a closer look at just what it takes in terms of achieving total sales in an HBA category, SUPERMARKET BUSINESS examined each of 37 product categories in these terms:

☐ Total items ranked by dollar sales divided into five equal segments (for example, a wagon with 100 items would have 20 items in each fifth).

☐ Sales in units and dollars (percent) for each fifth

☐ Gross margin in percent and percent gross margin dollars for each fifth.

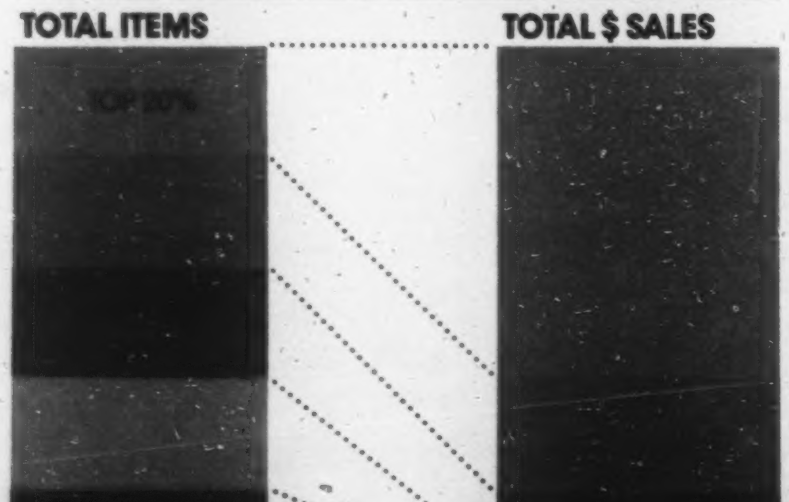
SB found that in only one category, First Aid Needs, did the top 20 percent of the category account for 80 percent of sales (79.8, to be exact), and 78.4 percent of gross margin dollars. What it takes to achieve 100 percent of sales in each of the 37 categories varies considerably, as it does to achieve 100 percent of gross margin dollars.

For example, the top 20 percent of the best-selling Tampons contributed 58.9 percent of total category sales, but only 46.7 percent of gross margin dollars of the category. Mouthwashes, where the top fifth of the items contributed 47.5 percent of total category sales, but only 38.2 percent of gross margin dollars, sales performance is much more spread out. The third fifth of mouthwashes contributed 15.3 percent of dollar sales, 20.1 percent of unit sales and 19.1 percent of gross margin dollars.

As the tables that follow show, the top fifth of each category's best sellers usually contribute somewhere between 40 and 60 percent of total sales, with the remainder of sales and gross margin dollars to come from the next two or three fifths of the category. The bottom fifth of a category contributed little to sales or gross margin dollars, regardless of the gross margin percent. Naturally, while the top sellers usually suffered somewhere in terms of gross margin percent, the gross margin dollars in all cases represented the lion's share of the total. In 21 product categories, the top fifth best sellers contributed to 50 percent or more of total sales and total profit dollars.

While contribution to total category sales and total category gross margin dollars must be examined on a store-by-store basis, a rough analysis of this kind will point up where

EXAMPLE OF HOW TOP SELLERS PERFORM



retailers and wholesalers (including service merchandisers) must look for further analysis. Such performance as occurs in the bottom fifth of each category must be justified in some way, such as a strong brand franchise among consumers (example: bottle nipples for the Baby Needs category), to warrant space on the shelf, as well as the necessary inventory that must be stocked at the warehouse. ■

Rank (Top 5th of items of category in dollar sales)	Percent of Total Category $ Sales
1. First Aid Needs	79.8%
2. Home Permanents	68.1
3. Vitamins	62.9
4. Analgesics—Internal	61.4
5. Men's Razor Blades	61.2
6. Dietetic Needs	60.8
7. Men's After Shave	60.7
8. Hair Conditioners	60.3
9. Rinses, Setting Lotions	59.0
10. Tampons	58.9
11. Hair Coloring	58.5
12. Cold Needs—Cough Syrups	57.1
13. Cold Needs—Cold Tablets	57.1
14. Toothbrushes	57.0
15. Baby Needs	55.9
16. Skin Care	55.8
17. Laxatives	54.9
18. Shampoos	54.7
19. Shaving Supplies	54.3
20. Eye Care	53.2
21. Denture Aids	53.0
22. Cold Needs—Sprays/Drops	52.0
23. Deodorants—Roll ons	51.4
24. Lotions	50.7
25. Antacids	50.6
26. Men's Hair Preparations	50.4
27. Toothpastes	49.8
28. Footcare	49.6
29. Analgesics—External	48.8
30. Mouthwashes	47.5
31. Deodorants—Stick	47.2
32. Hair Sprays	47.2
33. Feminine Hygiene Sprays	45.7
34. Hand & Body Creams	45.3
35. Sanitary Napkins	43.8
36. Deodorants—Sprays	42.3
37. Suntan Needs	41.7

Rank (Top 5th of each category—in margin dollars)	Percent of Total Gross Margin $
1. First Aid Needs	78.4%
2. Home Permanents	68.4
3. Vitamins	63.7
4. Men's After Shave	59.4
5. Hair Coloring	58.4
6. Dietetic Needs	57.6
7. Men's Razor Blades	57.4
8. Cold Needs—Cold Tablets	56.2
9. Skin Care	54.6
10. Cold Needs—Cough Syrups	54.4
11. Laxatives	53.5
12. Hair Conditioners	52.7
13. Analgesics—Internal	52.0
14. Baby Needs	51.3
15. Toothbrushes	50.5
16. Rinses, Setting Lotions	50.2
17. Shaving Supplies	50.1
18. Shampoos	49.9
19. Eye Care	49.6
20. Cold Needs—Spray/Drops	49.0
21. Men's Hair Preparations	49.0
22. Analgesics—External	49.0
23. Deodorants—Roll ons	48.5
24. Denture Aids	47.0
25. Deodorants—Stick	46.8
26. Lotions	46.8
27. Tampons	46.7
28. Antacids	44.3
29. Feminine Hygiene Sprays	44.1
30. Hand & Body Creams	42.7
31. Foot Care	42.7
32. Hair Sprays	40.0
33. Deodorants—Spray	39.0
34. Suntan Needs	38.4
35. Mouthwashes	38.2
36. Toothpastes	34.8
37. Sanitary Napkins	32.2

*Top 20% of category

HBA PROFITABILITY STUDY

FEMININE HYGIENE SPRAYS & MISC.

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	43.9%	45.7%	44.1%	29.9
2nd 5th	29.3	29.7	29.6	30.9
3rd 5th	19.0	18.1	17.4	30.6
4th 5th	6.6	7.9	7.5	29.6
5th 5th	1.3	1.6	1.4	27.7
Total	100.0%	100.0%	100.0%	31.0

Our ranking of the contribution of the top fifth for this category comes in at 29 for margin dollars and 33 for dollar sales.

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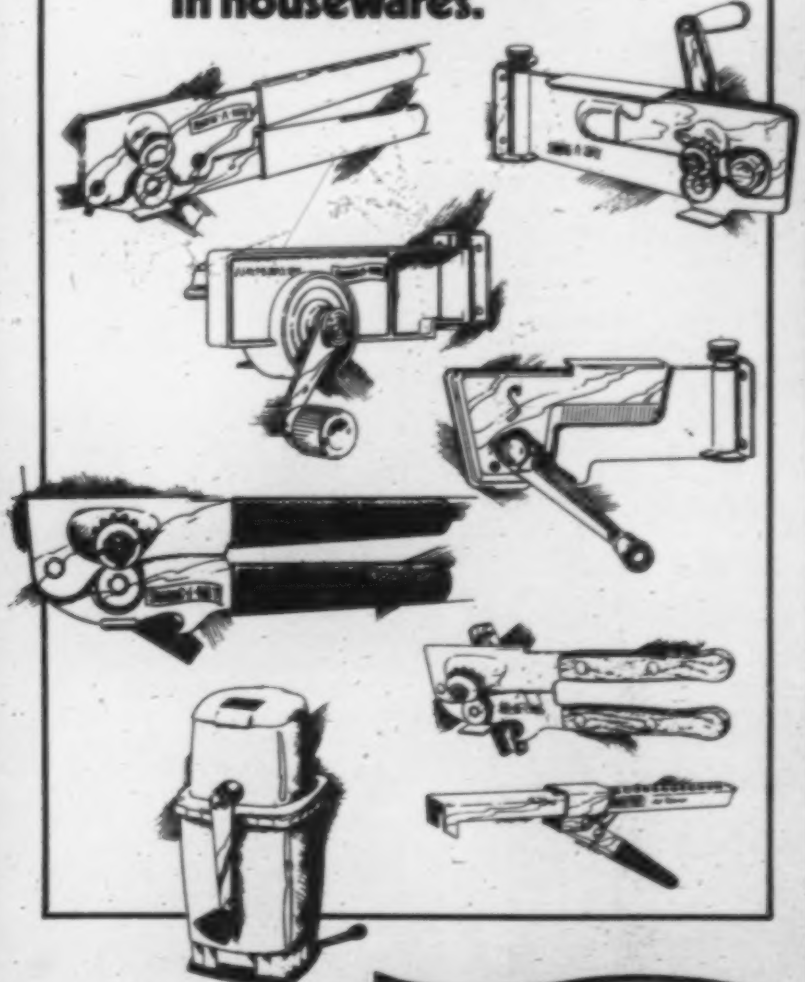

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MEN'S AFTER SHAVE

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	56.3%	60.7%	59.4%	29.0
2nd 5th	29.1	25.8	27.7	31.9
3rd 5th	13.1	10.5	10.8	30.5
4th 5th	1.5	2.7	2.0	22.1
5th 5th	—	0.3	0.1	20.0
Total	100.0%	100.0%	100.0%	29.7

In the contribution of the top fifth, in our ranking of 37 categories, men's after shave is ranked number four in margin dollars and number seven in dollar sales.

MEN'S HAIR PREPARATIONS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	45.2%	50.4%	49.0%	28.7
2nd 5th	33.7	32.4	30.9	28.1
3rd 5th	15.9	12.7	15.9	37.0
4th 5th	3.9	3.4	3.2	27.7
5th 5th	1.3	1.1	1.0	28.3
Total	100.0%	100.0%	100.0%	29.5

The contribution of the top fifth in this category is ranked by us at number 21 for margin dollars and number 26 for dollar sales.

TOOTHBRUSHES

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	46.8%	57.0%	50.5%	31.4
2nd 5th	32.9	26.0	29.3	40.1
3rd 5th	18.5	15.0	18.0	42.6
4th 5th	1.7	1.9	2.1	38.3
5th 5th	0.1	0.1	0.1	45.6
Total	100.0%	100.0%	100.0%	35.5

The top fifth of the toothbrush category is ranked number 15 in margin dollars in our listing and number 14 in dollar sales.

TOOTHPASTES

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	46.6%	49.8%	34.8%	13.1
2nd 5th	27.7	27.3	32.8	22.6
3rd 5th	15.1	13.8	19.9	27.1
4th 5th	7.7	6.7	8.6	24.1
5th 5th	2.9	2.4	3.9	30.4
Total	100.0%	100.0%	100.0%	18.8

Our ranking placed this at 26 in dollar sales and 36 in dollar margin.

MOUTHWASHES

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	38.7%	47.5%	38.2%	17.9
2nd 5th	29.7	27.5	30.4	24.6
3rd 5th	20.1	15.3	19.1	28.0
4th 5th	10.0	8.6	10.5	27.5
5th 5th	1.5	1.1	1.8	35.1
Total	100.0%	100.0%	100.0%	22.2

The contribution of the top fifth here places the category at number 35 in margin dollars and 30 in dollar sales.

DENTURE AIDS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	52.3%	53.0%	47.0%	24.1
2nd 5th	27.2	27.8	29.7	29.0
3rd 5th	14.9	14.3	17.4	33.1
4th 5th	5.5	4.8	5.8	32.6
5th 5th	0.1	0.1	0.1	24.2
Total	100.0%	100.0%	100.0%	27.2

The contribution of the top fifth, in our ranking of the 37 categories comes in at 24 for margin dollars and 21 for dollar sales.

COLD NEEDS—COLD TABLETS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	53.8%	57.1%	56.2%	26.0
2nd 5th	26.6	26.0	26.5	26.9
3rd 5th	15.8	13.3	13.8	27.4
4th 5th	3.4	3.3	3.2	26.4
5th 5th	0.4	0.3	0.3	25.4
Total	100.0%	100.0%	100.0%	26.4

The top fifth here is ranked number eight in margin dollars and number 13 in dollar sales in our listing of the 37 categories.

COLD NEEDS—SPRAY/DROPS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	46.1%	52.0%	49.0%	26.7
2nd 5th	29.0	24.6	26.6	30.7
3rd 5th	18.3	17.1	18.1	30.2
4th 5th	5.0	5.2	5.0	27.3
5th 5th	1.6	1.1	1.3	33.2
Total	100.0%	100.0%	100.0%	28.4

The ranking is number 20 in margin dollars and number 22 in dollar sales.

DEODORANTS—STICK

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	47.1%	47.2%	46.8%	26.2
2nd 5th	22.7	23.8	22.8	25.3
3rd 5th	16.4	15.8	15.4	25.7
4th 5th	10.5	9.4	10.5	29.5
5th 5th	3.3	3.8	4.5	31.9
Total	100.0%	100.0%	100.0%	26.4

Our ranking of the contribution of the top fifth places stick deodorants at number 25 in margin dollars and 31 in dollar sales.

COLD NEEDS—COUGH SYRUPS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	52.2%	57.1%	54.4%	26.3
2nd 5th	28.8	26.6	28.5	29.6
3rd 5th	15.6	12.2	12.8	29.0
4th 5th	3.4	3.9	4.2	29.4
5th 5th	*	0.2	0.1	28.8
Total	100.0%	100.0%	100.0%	27.5

The top fifth here is number 10 in margin dollars and number 12 in dollar sales.

DEODORANTS—SPRAY

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	39.5%	42.3%	39.0%	24.4
2nd 5th	28.9	27.5	31.5	30.2
3rd 5th	18.1	18.4	18.2	26.1
4th 5th	11.9	10.2	9.8	25.4
5th 5th	1.6	1.6	1.5	25.3
Total	100.0%	100.0%	100.0%	26.4

The ranking contribution of the top fifth here is 33 for margin dollars and 36 for dollar sales.

DEODORANTS—ROLL-ON

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	49.9%	51.4%	48.5%	24.9
2nd 5th	27.1	28.6	29.4	27.2
3rd 5th	17.9	15.2	16.8	29.1
4th 5th	5.0	4.6	5.2	29.7
5th 5th	0.1	0.2	0.1	24.4
Total	100.0%	100.0%	100.0%	26.4

The contribution of the top fifth, among our ranking of the 37 categories, is number 23 for margin dollars and dollar sales.

HBA PROFITABILITY STUDY

SHAMPOOS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	50.8%	54.7%	49.9%	27.0
2nd 5th	28.6	25.8	28.1	32.3
3rd 5th	13.7	14.0	15.9	33.5
4th 5th	6.6	5.1	5.7	33.3
5th 5th	0.3	0.4	0.4	30.9
Total	100.0%	100.0%	100.0%	29.6

Neck and neck in our ranking in contribution of the top fifth in both margin dollars and dollar sales: number 18.

RINSES, SETTING LOTIONS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	48.6%	59.0%	50.2%	24.4
2nd 5th	43.2	33.9	41.5	35.2
3rd 5th	6.9	5.6	6.6	34.1
4th 5th	1.3	1.4	1.5	29.5
5th 5th	*	0.1	0.2	28.8
Total	100.0%	100.0%	100.0%	28.7

The top fifth here comes in at 16 in margin dollars and number nine in dollar sales.

HAIR CONDITIONERS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	64.3%	60.3%	52.7%	23.1
2nd 5th	22.5	25.3	29.9	31.2
3rd 5th	10.8	11.6	13.8	31.5
4th 5th	2.3	2.6	3.3	34.4
5th 5th	0.1	0.2	0.3	29.6
Total	100.0%	100.0%	100.0%	26.4

The ranking here is number 12 for margin dollars and number eight for dollar sales.

HOME PERMANENTS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	69.2%	68.1%	68.4%	28.9
2nd 5th	30.1	27.5	27.6	28.9
3rd 5th	0.7	3.6	3.2	25.4
4th 5th	*	0.6	0.6	28.3
5th 5th	*	0.2	0.2	30.7
Total	100.0%	100.0%	100.0%	28.8

The contribution of the top fifth of home permanents is ranked number two in both margin dollar and dollar sales.

HAIR COLORING

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	63.1%	58.5%	58.4%	26.1
2nd 5th	27.2	27.3	27.2	26.1
3rd 5th	9.5	11.2	11.4	26.7
4th 5th	0.1	2.3	2.2	25.4
5th 5th	0.1	0.7	0.8	26.8
Total	100.0%	100.0%	100.0%	26.2

The contribution of the top fifth of hair coloring supplies is number five in margin dollars, and number 11 in dollar sales, in our ranking of the 37 categories.

HAND & BODY CREAMS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	47.5%	45.3%	42.7%	27.1
2nd 5th	25.4	25.9	27.8	31.0
3rd 5th	20.1	19.2	21.1	31.7
4th 5th	7.0	9.2	8.0	25.0
5th 5th	*	0.4	0.4	26.2
Total	100.0%	100.0%	100.0%	28.8

The contribution of the top fifth is ranked by us at number 30 for margin dollars and 34 for dollar sales.

SKIN CARE

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	49.2%	55.8%	54.6%	28.0
2nd 5th	30.0	25.8	27.1	30.0
3rd 5th	16.7	15.4	15.3	28.0
4th 5th	4.1	2.9	2.9	28.0
5th 5th	*	0.1	0.1	27.0
Total	100.0%	100.0%	100.0%	28.0

The top fifth of the skin care category is number nine in margin dollars and number 16 in dollar sales in our ranking.

EYE CARE

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	52.3%	53.2%	49.6%	25.6
2nd 5th	26.2	27.7	30.5	30.3
3rd 5th	15.8	13.8	14.3	28.3
4th 5th	4.9	4.2	4.2	27.6
5th 5th	0.8	1.1	1.4	34.0
Total	100.0%	100.0%	100.0%	27.5

Ranked number 19 in margin dollars and number 20 in dollar sales.

SHAVING SUPPLIES

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	52.7%	54.3%	50.1%	24.3
2nd 5th	26.0	27.0	29.9	29.2
3rd 5th	14.7	14.3	14.4	26.6
4th 5th	6.4	4.2	5.5	34.5
5th 5th	0.2	0.2	0.1	29.6
Total	100.0%	100.0%	100.0%	26.4

Our ranking puts this category at number 17 in margin dollars and number 19 in dollar sales.

FOOT CARE

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	36.8%	49.6%	42.7%	30.6
2nd 5th	31.0	29.7	29.2	34.9
3rd 5th	18.5	13.8	17.6	45.3
4th 5th	13.4	6.0	9.9	58.1
5th 5th	0.3	0.9	0.6	23.0
Total	100.0%	100.0%	100.0%	35.5

Our ranking of the contribution of the top fifth places this category at 31 in margin dollars and 28 in dollar sales.

LOTIONS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	50.8%	50.7%	46.8%	26.6
2nd 5th	24.8	25.2	27.1	30.9
3rd 5th	18.6	16.8	18.6	31.9
4th 5th	5.7	6.8	6.9	29.3
5th 5th	0.1	0.5	0.6	31.9
Total	100.0%	100.0%	100.0%	28.8

Our ranking of the contribution of the top fifth for lotions comes in at 26 for margin dollars and 24 for dollar sales.

MEN'S RAZOR BLADES

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	59.0%	61.2%	57.4%	25.3
2nd 5th	19.4	20.9	22.3	28.9
3rd 5th	15.3	10.7	11.9	30.0
4th 5th	4.5	5.7	6.5	30.6
5th 5th	1.8	1.5	1.9	33.9
Total	100.0%	100.0%	100.0%	27.0

The top fifth of this category is ranked among the 37 number seven in margin dollars and number five in dollar sales.

HBA PROFITABILITY STUDY

BABY NEEDS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	47.9%	55.9%	51.3%	31.2
2nd 5th	31.9	26.8	29.6	37.6
3rd 5th	13.5	12.8	13.9	37.0
4th 5th	6.4	4.1	4.7	38.7
5th 5th	0.3	0.4	0.5	35.7
Total	100.0%	100.0%	100.0%	34.0

The top fifth of this category in our listing ranks number 14 for margin dollars and number 15 for dollar sales.

DIETETIC NEEDS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	56.6%	60.8%	57.6%	32.7
2nd 5th	22.3	20.5	21.5	36.2
3rd 5th	16.4	14.2	15.6	37.8
4th 5th	4.2	3.4	4.1	41.6
5th 5th	0.5	1.1	1.2	37.0
Total	100.0%	100.0%	100.0%	34.5

The top fifth's contribution here is ranked number six in dollar sales and margin dollars.

FIRST AID NEEDS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	84.0%	79.8%	78.4%	34.1
2nd 5th	13.2	16.2	17.9	38.4
3rd 5th	2.6	3.4	3.1	31.7
4th 5th	0.2	0.5	0.5	35.2
5th 5th	*	0.1	0.1	38.5
Total	100.0%	100.0%	100.0%	34.8

Contribution of top fifth is ranked number one in both dollar sales and margin dollars.

VITAMINS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	64.5%	62.9%	63.7%	37.0
2nd 5th	22.8	23.6	22.1	34.2
3rd 5th	8.1	8.7	8.8	37.0
4th 5th	4.2	4.2	4.8	41.2
5th 5th	0.4	0.6	0.6	32.4
Total	100.0%	100.0%	100.0%	36.5

In our ranking of the contribution of the top fifth among 37 categories, vitamins are listed third in both margin dollar and dollar sales.

SUNTAN NEEDS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	58.1%	41.7%	38.4%	23.5
2nd 5th	20.1	25.9	29.5	29.1
3rd 5th	11.9	18.0	19.6	27.8
4th 5th	5.9	8.7	6.6	19.4
5th 5th	4.0	5.7	5.9	26.5
Total	100.0%	100.0%	100.0%	25.5

Our ranking of the contribution of the top fifth here is 34 for margin dollars and 37 for dollar sales.

HAIR SPRAYS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	53.6%	47.2%	40.0%	23.2
2nd 5th	21.1	24.5	26.8	29.9
3rd 5th	15.1	16.4	18.5	31.0
4th 5th	8.9	10.6	13.0	33.6
5th 5th	1.3	1.3	1.7	35.5
Total	100.0%	100.0%	100.0%	27.4

The ranking of the contribution of the top fifth places hair sprays at 32 in both margin dollars and dollar sales.

SANITARY NAPKINS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	36.9%	43.8%	32.2%	15.2
2nd 5th	27.9	26.9	30.8	23.7
3rd 5th	24.5	19.2	24.4	26.3
4th 5th	9.1	8.9	11.2	26.0
5th 5th	1.6	1.2	1.4	23.3
Total	100.0%	100.0%	100.0%	20.7

Our ranking of the contribution of the top fifth places this category at number 37 in margin dollars and number 35 in dollar sales.

ANALGESICS—INTERNAL

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	54.0%	61.4%	52.0%	18.9
2nd 5th	24.9	20.5	25.5	27.8
3rd 5th	12.5	11.5	14.0	27.1
4th 5th	6.6	5.4	7.0	29.1
5th 5th	2.0	1.2	1.5	29.2
Total	100.0%	100.0%	100.0%	22.5

The ranking for internal analgesics is number 13 for margin dollars and number four for dollar sales.

ANTACIDS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	41.8%	50.6%	44.3%	23.9
2nd 5th	27.9	25.1	29.2	31.9
3rd 5th	17.6	15.2	16.2	29.1
4th 5th	12.6	8.9	10.1	31.4
5th 5th	0.1	0.2	0.2	38.8
Total	100.0%	100.0%	100.0%	27.2

Our ranking of the contribution of the top fifth for antacids comes in at number 28 for margin dollars and 25 for dollar sales.

TAMPONS

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	48.0%	58.9%	46.7%	17.8
2nd 5th	28.3	20.2	26.9	30.0
3rd 5th	14.9	13.4	16.9	28.5
4th 5th	7.9	6.8	8.6	28.6
5th 5th	0.9	0.7	0.9	27.3
Total	100.0%	100.0%	100.0%	22.5

The contribution of the top fifth is ranked by us at number 27 in margin dollars and number 10 in dollar sales.

ANALGESICS—EXTERNAL

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	48.4%	48.8%	49.0%	35.6
2nd 5th	30.1	33.1	32.7	35.0
3rd 5th	16.6	13.4	14.4	37.9
4th 5th	4.8	4.4	3.6	29.5
5th 5th	0.1	0.3	0.3	32.4
Total	100.0%	100.0%	100.0%	35.5

Our ranking of the contribution of the top fifth is number 22 in margin dollars and number 29 in dollar sales.

LAXATIVES

Items by $ Sales Rank	Sales		$ Margin	% Margin
(Fifths)	Units	Dollars		
Top 5th	46.9%	54.9%	53.5%	29.4
2nd 5th	29.5	24.5	24.7	30.3
3rd 5th	16.2	13.0	14.3	33.3
4th 5th	7.1	7.2	7.2	30.0
5th 5th	0.3	0.4	0.3	25.3
Total	100.0%	100.0%	100.0%	30.4

Our ranking of the top fifth's contribution here comes in at number 11 for margin dollars and number 17 for dollar sales.

SAMI UPDATE:
HBA Sales Show Little Growth

BY ALAN MILLER, JR.

It wasn't a great month for HBA products in March. Sales of food products were weak also: consumers just weren't in a buying mood.

From all reports, when March retail sales figures were scrutinized there was an abundance of sad faces in the consumer products marketing community. In mid-April, the U.S. Department of Commerce announced that total retail sales were soft to the tune of a 1.9 percent decline from March, 1984.

There were two theories advanced to explain the lethargy in retail sales. Some economists believe that delays in sending out tax refunds inhibited consumer purchases. Others expressed the view that the bank scare in Ohio triggered consumer caution. Whatever the reason, SAMI results in the 28 days ending March 29, 1985 confirmed the fact that food store sales were indeed weak and that the performance of health and beauty aids items, which registered a national unit volume decline of 0.5 percent, was part of the weakness exhibited in all five product groups comparing four-week trends with those for 12 weeks.

In spite of the fact that March was National Frozen Foods Month, unit volume rose only one percent versus March, 1984 as compared with an increase of 2.1 percent for the 12-week period ending March 29, 1985. Dry grocery: food unit volume fell 1.8 percent after having enjoyed plus volume in both January and February. A weakness in food purchases may signal less shopping time and therefore fewer opportunities to make either planned or impulse purchases of HBA products.

Proprietary dip

During March, there were declines in unit sales in four product groups and gains in an equal number. The most serious dip was encountered among proprietary remedies, where the 3.5 percent loss represents 2.9 million units in a 28-day period. This percentage decrease is in contrast to a 3.2 percent gain for the 12-week reporting period. The best performance on a product group basis was a gain of 7.7 percent, or more than one million units, for skin care aids.

At the product category measurement level, there were 20 with volume plus signs as opposed to 30 with negative signs. As has been the case for many moons, the gain rate was highest (+151.2 percent) for hair setting needs, where the hair styling mousse products are coded. But as the first anniversary of the mass proliferation of these brands and items approaches, the rate of gain is diminishing (the growth on a 52-week basis was +379.6 percent and was 281.4 percent for the 12-week period). These new items account for nearly $60 million at retail in food stores and growth is still continuing.

All of the double-digit loss rates, except one, were found in categories with less than one million units in four-week volume. The lone exception was spray deodorants, where a loss rate of 11.9 percent, translating to 699,000 units, was found.

Baby needs lose

Two of the four categories of baby needs experienced downtrends in unit volume. On the losing side were baby oils, creams & lotions (−5.9 percent) and infant clothes (−7.7 percent). These losses offset gains of 0.7 percent for baby powders and 3.7 percent for nursing supplies, resulting in a decrease of 2.0 percent for the product group.

Five out of eight deodorant categories moved downside. In addition to the aforementioned spray deodorant category, where body deodorants have not apparently lived up to their initial promise, there were also significant four-week loss rates among cream deodorants (−10.9 percent), deodorant and talcum powders (−11.1 percent) and roll-on deodorants (−8.9 percent).

The three deodorant categories with sales improvement over the corresponding period a year ago were: stick deodorants and pads (+5.8 percent), foot deodorants and athlete's foot remedies (+4.8 percent) and feminine douches (+3.9 percent). The decline rate for the entire deodorant product group was 3.5 percent.

Both categories in SAMI's first aid product group enjoyed four-week gains in unit volume: first aid antiseptics showed an increase of 6.3 percent, while first aid products volume grew 2.0 percent.

Rinses gain

In the hair care needs product group, aside from the burgeoning power of hair styling mousse proliferations, the other notable trend was the sales recovery of hair conditioning rinses. This category had been beleagured for some time, but as a result of the sales vitality of such new entries as Halsa from S.C. Johnson, P&G's Ivory and Lilt, Helene Curtis's Atune, Chesebrough-Pond's Rave and Lever Brothers's Dimension, four-week category volume was 6.3 percent ahead of last year's pace.

Food store sales of shampoo were down 5.5 percent, however, and smaller loss rates were found among: home permanent kits (−4.8 percent), hair coloring (−2.0 percent) and hair dressing needs (−0.8 percent). Hair spray volume rose 2.4 percent and new Atune and Perma Soft were responsible for reinforced volume in the category.

After a prolonged slow period, sales of toothpaste and powder items moved into the black and a small gain of 1.7 percent was registered during the March, 1985 period. Dentifrice pumps continue to exhibit growth in this category. There were also gains for breath fresheners (+12.6 percent), toothbrushes (+3.7 percent) and mouthwash (+2.5 percent).

The two categories with reduced four-week unit volume were denture cleaners (−3.5 percent) and denture adhesives (−2.0 percent).

Eye care up

There were only two categories of proprietary remedies with four-week unit volume improvements over the period a year earlier. Eye care products continued their sustained expansion and the four-week increase rate of 21.8 percent was slightly higher than the annual rate of increase (+20.8 percent). Also recording a continuing rate of growth was the category of sleeping aids (+12.2 percent).

Each of the four proprietary remedy categories for coughs and colds moved from plus trends for the 12-week 1985 period to rates of loss for the March reporting period. Cold tablets fell 3.7 percent, however, coming off a 12.7 percent increase rate in the corresponding year ago period. Vitamins (−9.9 percent) continue to record volume declines as do appetite suppressants (−13.3 percent).

Lesser four-week loss rates were found among antacids (−1.2 percent), internal analgesics (−2.3 percent) and laxatives (−1.2 percent).

Once again, there were no plus signs in any of the five shaving needs categories tracked by SAMI, and this weakness is manifest for trends of 52, 12 or four weeks. In the most recent period, however, the loss rate of 2.1 percent for the product group as a whole is less pronounced than for 52 weeks (−5.2 percent) or 12 weeks (−4.9 percent).

When shavers use up the last of their deal merchandise during early 1985, the shaving cream category may start showing a trend upward.

A minor setback

In the five skin care aids categories, there was only one minor setback—a 0.3 percent loss for cosmetic and medicated skin aids. This product group has been generally flourishing thus far in 1985, following a generally weak period as 1984 drew to a close. Particularly strong was the performance of suntan lotion and suntan oil, which was apparently weather-related, since sunburn remedies, among external analgesics, also jumped the gain on the start of the new tan/burn season.

Facial preparations grew 7.4 percent, signaling resuscitation from a weak end-of-the-year period.

On the whole, the sales picture wasn't very rosy in March on the HBA front. But there may be some small comfort in the fact that the weakness was shared in other product areas and, as they say, misery loves company. ■

HEALTH & BEAUTY AIDS:
SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 2/1/85	4 WEEKS ENDING 3/1/85	4 WEEKS ENDING 3/29/85
BABY NEEDS	− 0.1%	+ 0.9%	− 2.0%
Baby Powders	− 1.6	− 2.6	+ 0.7
Baby Oils, Creams & Lotions	− 2.7	+ 0.7	− 5.9
Infant Clothes	− 5.4	− 9.5	− 7.7
Nursing Supplies	+ 6.0	± 0.0	+ 3.7
DEODORANTS	+ 3.0%	− 2.5%	− 3.6%
Sprays	− 10.7	− 15.3	− 11.9
Roll-Ons	+ 2.0	− 4.8	− 8.9
Stick Deodorants & Pads	+ 14.7	+ 8.5	+ 5.8
Creams	− 0.6	− 4.4	− 10.9
Deodorants & Talcum Powders	− 0.8	− 11.2	− 11.1
Feminine Hygiene Deodorants	− 7.4	− 11.6	− 6.8
Foot Deodorants & Athlete's Foot Remedies	+ 5.4	+ 1.9	+ 4.8
Feminine Douches	+ 6.3	+ 2.2	+ 3.9
FIRST AID	+ 1.2%	+ 1.6%	+ 2.9%
Antiseptics	+ 9.2	+ 5.7	+ 6.3
First Aid Products	− 0.6	+ 0.6	+ 2.0
HAIR CARE NEEDS	+ 5.2%	+ 1.6%	+ 1.7%
Shampoos	− 1.2	− 5.1	− 5.5
Hair Sprays	+ 8.6	− 1.4	+ 2.4
Hair Conditioning Rinses	+ 1.4	± 0.0	+ 6.3
Hair Setting Needs	+ 439.7	+ 409.8	+ 151.2
Home Permanent Kits	+ 3.3	− 1.6	− 4.8
Hair Coloring	+ 0.3	+ 6.5	− 2.0
Hair Dressing Needs	+ 1.5	− 0.6	− 0.8
ORAL HYGIENE	− 1.9%	− 0.6%	+ 1.8%
Toothpastes & Powders	− 3.0	− 2.7	+ 1.7
Mouthwashes	+ 3.6	+ 7.7	+ 2.5
Breath Fresheners	+ 9.4	+ 14.3	+ 12.6
Denture Cleaners	− 7.5	− 5.8	− 3.5
Denture Adhesives	+ 1.2	+ 0.9	− 2.0
Toothbrushes	− 2.5	− 0.2	+ 3.7
PROPRIETARY REMEDIES	+ 9.2%	+ 3.2%	− 3.9%
Antacids	+ 2.4	− 1.0	− 1.2
Internal Analgesics	+ 6.0	+ 0.2	− 2.3
External Analgesics	− 2.6	− 1.3	− 3.9
Cold Tablets	+ 20.4	+ 10.3	− 3.7
Nasal Sprays—Drops—Inhalers	+ 11.4	+ 14.0	− 1.8
Chest Rubs	+ 14.4	+ 11.1	− 16.4
Cough Remedies	+ 18.1	+ 6.6	− 9.6
Laxatives	+ 4.3	+ 4.1	− 1.2
Sleeping Aids	+ 12.9	+ 9.8	+ 12.2
Tranquilizers	− 22.7	− 26.4	− 30.4
Vitamins	[illegible]	− 12.7	− 9.9
Eye Care Products	+ 22.1	+ 26.4	+ 21.8
Appetite Suppressants	− 18.9	− 10.0	− 13.3
SHAVING NEEDS	− 1.1%	− 7.[illegible]%	− 2.1%
Shaving Creams	[illegible]	− 10.[illegible]	− 0.9
Pre-Shave Lotions	[illegible]	[illegible]	− 2.8
After-Shave Lotions	[illegible]	[illegible]	− 4.3
[illegible]	[illegible]	[illegible]	1.8
[illegible]	[illegible]	− 9.1	− 16.9
SKIN CARE AIDS	[illegible]	[illegible]	+ 7.7%
Hand & Body Creams & Lotions	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Lip Care Products	[illegible]	[illegible]	[illegible]
Suntan Lotions & Oils	[illegible]	[illegible]	[illegible]
Cosmetic & Medicated Skin Aids	[illegible]	[illegible]	− 3.3
TOTAL ALL CATEGORIES	[illegible]	[illegible]	[illegible]

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HOUSEHOLD & CLEANING PRODUCTS

Over 65's are Far from Retiring From the Job of Cleaning

Traditional values assert themselves in consumption patterns for household supplies and cleaning products. Upper-income seniors outstrip national averages for a wide variety of products, including metal polish, detergents for fine fabrics, automatic dishwashing powder and scouring powder. One-person households outshine the others in metal polish, water conditioners and automatic dishwashing detergent. Personal use bar soaps and liquid soaps sell well in neighborhoods with upper-income blacks. Few products in this category show exceptional consumption among upper-income full-time working women.

With, presumably, more metal in their homes to polish—particularly silver and brass—upper-income households use plenty of metal polish. Seniors are the most dedicated buffers.

METAL POLISH — All Users

		% Using	Difference From Average (%)
	All Homemakers	25.9	
	Blacks	21.5	−17
$20,000 +	1-Person hh	33.6	+30
	65+	47.7	+84
	35-44	30.7	+19
	Working Women (FT)	26.6	+ 3

DRAIN CLEANERS — All Users

		% Using	Difference From Average (%)
	All Homemakers	44.2	
	Blacks	47.9	+ 8
$20,000 +	1-Person hh	41.2	− 7
	65+	48.1	+ 9
	35-44	45.0	+ 2
	Working Women (FT)	44.9	+ 2

Seniors give special attention to clothing made of fine fabrics by using specially formulated soaps for them. The majority of upper-income households let a machine do their dishes, although blacks are below average here.

SOAP/DETERGENT FINE FABRICS — All Users

		% Using	Difference From Average (%)
	All Homemakers	53.5	
	Blacks	57.0	+ 7
$20,000 +	1-Person hh	58.5	+ 9
	65+	67.1	+25
	35-44	53.0	− 1
	Working Women (FT)	55.0	+ 3

AUTOMATIC DISHWASHING DETERGENT — All Users

		% Using	Difference From Average (%)
	All Homemakers	41.6	
	Blacks	38.5	− 7
$20,000 +	1-Person hh	45.5	+ 9
	65+	49.0	+18
	35-44	66.2	+59
	Working Women (FT)	55.1	+32

Liquid soap for personal care has made its way into one third of U.S. households. Traditional bar soap finds its staunchest supporters among upper income blacks and 35-to-44's.

BAR SOAP—PERSONAL CARE — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	23.4	
	Blacks	37.7	+61
$20,000 +	1-Person hh	8.4	−64
	65+	13.3	−43
	35-44	33.1	+42
	Working Women (FT)	26.4	+13

*6 + bars last 30 days.

LIQUID SOAP—PERSONAL CARE — All Users

		% Using	Difference From Average (%)
	All Homemakers	32.9	
	Blacks	34.2	+ 4
$20,000 +	1-Person hh	32.3	− 2
	65+	36.6	+11
	35-44	37.4	+14
	Working Women (FT)	36.0	+ 9

Both blacks and seniors are above average in their purchase of in-tank toilet bowl cleaners. Water conditioners, which are most popular in the North Central states and in rural areas, register one and one-half times the national rate among seniors.

IN-TANK TOILET BOWL CLEANERS — All Buyers

		% Using	Difference From Average (%)
	All Homemakers	35.6	
	Blacks	47.1	+32
$20,000 +	1-Person hh	31.6	−11
	65+	39.2	+10
	35-44	33.9	− 5
	Working Women (FT)	34.2	− 4

WATER CONDITIONERS — All Users

		% Using	Difference From Average (%)
	All Homemakers	5.0	
	Blacks	4.5	− 9
$20,000 +	1-Person hh	6.3	+27
	65+	12.1	+143
	35-44	5.3	+ 7
	Working Women (FT)	4.7	− 5

Supermarkets stock a wide variety of weapons for the war against indoor and outdoor insect pests. Both outdoor insecticides and roach traps are frequently employed by seniors, with the latter also scoring high among blacks, who often live in urban areas.

OUTDOOR INSECTICIDES — All Users

		% Using	Difference From Average (%)
	All Homemakers	30.6	
	Blacks	18.8	−38
$20,000 +	1-Person hh	25.8	−16
	65+	45.7	+49
	35-44	35.3	+15
	Working Women (FT)	30.4	− 1

ROACH TRAPS — All Buyers

		% Using	Difference From Average (%)
	All Homemakers	8.4	
	Blacks	16.6	+98
$20,000 +	1-Person hh	6.2	−26
	65+	11.5	+36
	35-44	6.6	−21
	Working Women (FT)	7.1	−16

		SCOURING POWDER		SCOURING PADS 7+ pads last 30 days.		SPRAYS/ROOM DEODORIZERS		RUBBER GLOVES		STARCH	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	75.0	—	16.2	—	55.7	—	28.5	—	28.3	—
	Blacks	67.2	−10	18.8	+16	58.3	+ 5	28.7	+ 1	44.0	+67
$20,000 +	1-Person hh	76.5	+ 2	11.0	−32	54.4	− 2	33.2	+16	20.6	−22
	65+	88.6	+18	17.6	+ 9	62.7	+12	34.6	+21	28.5	+ 9
	35-44	79.6	+ 6	18.5	+15	56.5	+ 1	31.4	+10	29.6	+13
	Working Women (FT)	74.8	—	18.3	+13	54.5	− 2	29.9	+ 5	29.0	+11

Source: Mediamark Research Inc.

DESSERTS/BAKING INGREDIENTS

Buying—Not Making—Desserts Becomes More A La Mode

The dessert-baking ingredient section is under attack. On one flank there's the traditional baked goods section, on the other an expanding array in the frozens cases—and smashing through the center, in many cases, an aggressive instore bakery. Full-time working women are below average in their usage of most of these ingredients, as are one-person households. Over 65's, however, represent a good potential for baking nuts, flour and artificial sweeteners (working women score here, too). Both evaporated milk and shortening are near staples among many blacks, with gelatin, pie crust and frosting also pulling.

With three out of 10 adults using artificial sweeteners, the product has progressed from fringe to mainstream. Diet-conscious working women are among the most dedicated users.

SUGAR — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	37.1	
	Blacks	34.8	6
$20,000+	1-Person hh	10.8	−71
	65+	31.9	−14
	35-44	43.7	+18
	Working Women (FT)	33.9	−9

*7+ pounds last 30 days.

ARTIFICIAL SWEETNERS — **All Users**

		% Using	Difference From Average (%)
	All Adults	28.2	
	Blacks	19.9	−29
$20,000+	1-Person hh	26.0	−8
	65+	30.5	+8
	35-44	29.9	+6
	Working Women (FT)	36.1	+28

Evaporated milk maintains its strongest hold in rural locations, in the South and among blacks, who provide a core of loyal users. Blacks also show above-average usage of shortening.

EVAPORATED MILK — **All Buyers**

		% Using	Difference From Average (%)
	All Homemakers	40.3	
	Blacks	44.4	+10
$20,000+	1-Person hh	27.1	−37
	65+	39.6	−2
	35-44	44.8	+11
	Working Women (FT)	37.0	−8

SHORTENING — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	10.7	
	Blacks	22.1	+106
$20,000+	1-Person hh	1.1	−90
	65+	3.3	−69
	35-44	12.4	+16
	Working Women (FT)	10.1	−6

*4+ pounds last 30 days.

Seniors remain above-average users of flavored gelatin desserts and apparently cover them with whipped topping on occasion. Topping has relatively low penetration among blacks.

FLAVORED GELATIN DESSERTS — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	50.0	
	Blacks	53.6	+7
$20,000+	1-Person hh	39.7	−20
	65+	55.3	+11
	35-44	55.5	+11
	Working Women (FT)	51.4	+3

WHIPPED TOPPING — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	55.5	
	Blacks	36.2	−35
$20,000+	1-Person hh	41.1	−26
	65+	57.7	+4
	35-44	63.5	+14
	Working Women (FT)	55.2	−1

An early "convenience food," packaged pie crust is used by one out of four homemakers. (The category includes frozen pastry, dry crumb mix, refrigerated pastry and sticks.) Popularity is highest among blacks.

PIE CRUST, PACKAGED — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	25.4	
	Blacks	31.6	+24
$20,000+	1-Person hh	21.8	−14
	65+	23.5	−7
	35-44	30.0	+18
	Working Women (FT)	26.6	+5

NUTS FOR COOKING — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	41.1	
	Blacks	28.1	−32
$20,000+	1-Person hh	39.8	−3
	65+	47.5	+16
	35-44	50.6	+23
	Working Women (FT)	42.6	+4

Among the five groups presented here, only 35-to-44's are above-average users of dry cake mixes. Blacks, however, exceed them in the use of frosting and frosting mixes.

CAKE MIXES, DRY — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	57.6	
	Blacks	41.2	−11
$20,000+	1-Person hh	35.5	−38
	65+	49.7	−14
	35-44	67.7	+18
	Working Women (FT)	56.7	−2

FROSTING/FROSTING MIXES — **All Buyers**

		% Using	Difference From Average (%)
	All Homemakers	37.2	
	Blacks	45.0	+21
$20,000+	1-Person hh	19.3	−48
	65+	25.2	−32
	35-44	44.2	+19
	Working Women (FT)	38.0	+2

	BAKING MIXES		FLOUR 6+ pounds last 30 days.		YEAST		INSTANT PUDDING, POWDERED		BROWNIE/COOKIE MIXES	
	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
Total	39.8	—	26.6	—	25.4	—	33.9	—	30.6	—
Blacks	34.2	−14	14.4	−46	15.8	−38	30.4	−10	31.2	+2
1-Person hh	26.9	−32	10.8	−60	15.8	−38	22.9	−32	18.3	−40
65+	39.1	−2	27.2	+2	27.4	+8	17.9	−47	20.3	−34
35-44	50.0	+26	28.7	+8	32.4	+27	40.2	+19	41.3	+35
Working Women (FT)	42.5	+7	22.6	−15	23.4	−8	36.5	+8	35.1	+15

Source: Mediamark Research Inc.

DAIRY

Upper Income Buying Patterns Are Far From Homogenized

Should we cut down on saturated fats? Should we worry about increasing calcium intake, especially in later years? There's no shortage of advice on these and other diet-related questions. The place for deciding what, if any, practical action needs to be taken is often the supermarket dairy department. With one notable exception, our five upper income groups appear to be keeping their intake of dairy products below average. That exception is the (above average size) 35-to-44 households, which demonstrate high average for all 14 products. Working women favor time-saving cheese spreads and dips.

Fewer than half of American homemakers report they use butter at all, while nine out of 10 use margarine. When it comes to heavy users among the upper income, those 35 to 44 years old set the pace.

MARGARINE — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	19.9	
$20,000 +	Blacks	21.1	+ 6
	1-Person hh	4.6	-77
	65 +	16.7	-16
	35-44	26.1	+31
	Working Women (FT)	18.4	- 8

*5 + pounds last 30 days.

BUTTER — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	8.8	
$20,000 +	Blacks	8.5	- 3
	1-Person hh	2.1	-76
	65 +	3.5	-60
	35-44	11.6	+32
	Working Women (FT)	9.1	+ 3

*4 + pounds last 30 days.

Cheese spreads are the only category in dairy for which both live-alones and seniors show above-average usage, albeit far below 35-to-44's and working women. Their consumption of natural cheese is softer.

CHEESE SPREAD — **All Buyers**

		% Using	Difference From Average (%)
	All Homemakers	16.3	
$20,000 +	Blacks	16.2	—
	1-Person hh	16.9	+ 4
	65 +	17.3	+ 6
	35-44	25.4	+56
	Working Women (FT)	19.6	+21

CHEESE, NATURAL OR IMPORTED — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	12.9	
$20,000 +	Blacks	9.8	-24
	1-Person hh	9.0	-30
	65 +	10.0	-23
	35-44	21.4	+66
	Working Women (FT)	14.9	+15

*6 + pounds last 30 days.

Despite their bad press, eggs are still consumed at the rate of three dozen a week in three out of 10 households. Refrigerated doughs are among the few dairy products with above average consumption by blacks.

EGGS — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	30.8	
$20,000 +	Blacks	31.5	+ 2
	1-Person hh	10.8	-65
	65 +	17.5	-43
	35-44	37.8	+23
	Working Women (FT)	29.5	- 4

*3 + dozen last 7 days.

REFRIG. DOUGH PRODUCTS — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	44.5	
$20,000 +	Blacks	51.9	+17
	1-Person hh	31.3	-30
	65 +	33.7	-24
	35-44	51.8	+17
	Working Women (FT)	45.6	+ 2

First there was yogurt, then frozen yogurt, and now yogurt drinks. While penetration is still shallow, yogurt drinks have won some early fans among upper-income blacks.

YOGURT — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	34.1	
$20,000 +	Blacks	29.3	-14
	1-Person hh	35.5	+ 4
	65 +	26.1	-24
	35-44	46.1	+35
	Working Women (FT)	39.7	+16

YOGURT DRINKS — **All Users**

		% Using	Difference From Average (%)
	All Homemakers	1.2	
$20,000 +	Blacks	4.3	+250
	1-Person hh	1.5	+19
	65 +	2.0	+67
	35-44	2.1	+73
	Working Women (FT)	1.4	+12

The large-sized 35-to-44 households, often with teens under the roof, are the volume leaders for fresh milk, with the other four groups below average. The pattern is similar for cottage cheese.

MILK, FRESH — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	13.1	
$20,000 +	Blacks	11.0	-16
	1-Person hh	3.1	-76
	65 +	5.9	-55
	35-44	19.2	+47
	Working Women (FT)	12.7	- 3

*3 + quart average a day.

COTTAGE CHEESE — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	2.9	
$20,000 +	Blacks	2.7	- 5
	1-Person hh	1.9	-33
	65 +	2.0	-32
	35-44	4.3	+49
	Working Women (FT)	2.5	-13

*3 containers last 7 days.

Two more proofs that the amount of space allocated to the dairy department should be determined in line with local demographics, cutting down where one-person and senior households dominate.

AMER. PAST. PROCESSED CHEESE — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	13.0	
$20,000 +	Blacks	8.5	-35
	1-Person hh	4.7	-64
	65 +	9.1	-30
	35-44	18.4	+42
	Working Women (FT)	14.2	+ 9

*4 + pounds last 30 days.

ORANGE JUICE, NOT FROZEN — **Heavy Users***

		% Using	Difference From Average (%)
	All Homemakers	5.4	
$20,000 +	Blacks	5.1	- 5
	1-Person hh	3.2	-41
	65 +	2.6	-51
	35-44	7.8	+44
	Working Women (FT)	5.0	- 8

*4 + glasses average per day.

Source: Mediamark Research Inc.

FROZEN FOODS

Classier New Frozens Lines Melt Resistance Among the Affluent

In recent years frozen foods have made the big climb upmarket. Aided by French-sounding brand names and fancier packaging (not to mention the near ubiquity of microwave ovens in affluent households), frozen cases now offer a wide range of selection for both the diet-conscious and the gourmet-conscious. As the figures below prove, upper-income households—particularly black and 35-to-44's—keep their home freezers well stocked. And the hottest part of this coldest sector—main courses—is being propelled by affluent live-alones who find these wasteless, time-saving entrees worth their price.

Low in calories, or haute in cuisine, the exploding lines of single-serving main courses offer much to whet the appetite. Usage among upper-income one-person households is 73 percent above average. "TV dinners" show less appeal in $20,000 + households.

FROZEN MAIN COURSES — Heavy Users*

		% Using	
	All Homemakers	7.7	Difference From Average (%)
$20,000 +	Blacks	3.8	−51
	1-Person hh	13.4	+73
	65 +	6.3	−18
	35-44	9.6	+24
	Working Women (FT)	10.9	+41

*5 + last 30 days.

FROZEN COMPLETE DINNERS — Heavy Users*

		% Using	
	All Homemakers	10.0	Difference From Average (%)
$20,000 +	Blacks	8.1	−19
	1-Person hh	0.1	+ 1
	65 +	5.0	−49
	35-44	11.0	+10
	Working Women (FT)	10.3	+ 3

*4 + last 30 days.

Upper income blacks, 35-to-44's and (to a more modest extent) seniors are all above average in favoring frozen waffles, pancakes and French toast as breakfast fare.

FROZEN WAFFLES — All Buyers

		% Using	
	All Homemakers	25.6	Difference From Average (%)
$20,000 +	Blacks	31.6	+23
	1-Person hh	21.7	−15
	65 +	26.8	+ 5
	35-44	33.6	+31
	Working Women (FT)	27.3	+ 6

FROZEN PANCAKES/FRENCH TOAST — All Users

		% Using	
	All Homemakers	6.9	Difference From Average (%)
$20,000 +	Blacks	13.0	+89
	1-Person hh	5.2	−25
	65 +	7.4	+ 7
	35-44	8.0	+16
	Working Women (FT)	6.8	− 2

Incidence of usage of both plain frozen vegetables and those prepared in a sauce increase with household income. About one-third of households buy plain frozens in a box, with the same proportion obtaining polybags.

FROZEN VEGETABLES, PLAIN — Heavy Users*

		% Using	
	All Homemakers	13.4	Difference From Average (%)
$20,000 +	Blacks	18.3	+37
	1-Person hh	8.9	−33
	65 +	10.5	−22
	35-44	19.9	+48
	Working Women (FT)	16.9	+26

*7 + pkgs. last 30 days.

FROZEN VEGETABLES, PREPARED — Heavy Users*

		% Using	
	All Homemakers	14.5	Difference From Average (%)
$20,000 +	Blacks	23.8	+64
	1-Person hh	13.5	− 7
	65 +	10.5	−18
	35-44	18.6	+28
	Working Women (FT)	17.4	+20

A rich market for frozen desserts can be found among upper-income households, with pies and cakes roughly tied in popularity and pastries a distant third. Popular among all five upper-income groups, frozen yogurt is a runaway among blacks.

FROZEN DESSERTS — All Users

		% Using	
	All Homemakers	30.9	Difference From Average (%)
$20,000 +	Blacks	36.8	+19
	1-Person hh	31.4	+ 2
	65 +	32.4	+ 5
	35-44	36.2	+17
	Working Women (FT)	32.9	+ 6

FROZEN YOGURT — All Users

		% Using	
	All Homemakers	4.1	Difference From Average (%)
$20,000 +	Blacks	9.9	+141
	1-Person hh	4.8	+17
	65 +	4.2	+ 2
	35-44	4.3	+ 6
	Working Women (FT)	4.8	+19

Apparently stalled as a low-incidence product category, the frozen complete breakfast scores well with upper income blacks and 35-to-44's, with the latter the only standout in consumption of frozen orange juice.

FROZEN COMPLETE BREAKFAST — All Users

		% Using	
	All Homemakers	2.3	Difference From Average (%)
$20,000 +	Blacks	5.1	+122
	1-Person hh	2.1	−11
	65 +	0.4	−83
	35-44	4.0	+72
	Working Women (FT)	3.1	+32

FROZEN ORANGE JUICE — Heavy Users*

		% Using	
	All Homemakers	10.3	Difference From Average (%)
$20,000 +	Blacks	7.2	−30
	1-Person hh	2.6	−75
	65 +	5.7	−45
	35-44	18.6	+80
	Working Women (FT)	10.6	+ 3

*4 + glasses average day

		FROZEN CORN-ON-THE-COB		BREADED BONELESS CHICKEN		FROZEN POTATO PRODUCTS		FROZEN PIZZA 4 + packages last 30 days.		ICE CREAM, ICE MILK, SHERBERT*	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	22.8	—	13.6	—	46.6	—	11.2	—	19.6	—
$20,000 +	Blacks	43.0	+89	11.2	−17	48.8	+ 5	10.2	− 9	19.5	− 1
	1-Person hh	20.2	−11	9.7	−29	29.4	−37	3.2	−72	6.2	−69
	65 +	18.1	−21	15.1	+11	32.2	−31	7.5	−32	14.1	−29
	35-44	26.3	+16	18.5	+36	57.2	+23	16.2	+46	29.3	+48
	Working Women (FT)	26.1	+15	14.4	+ 6	51.4	+10	12.2	+ 9	20.1	+ 2

Source: Mediamark Research Inc.

PACKAGED VEGETABLES/SPECIALTIES

Blacks Lead the Pack for Many Specialty Products

Stores serving neighborhoods with a substantial proportion of upper-income blacks have an excellent opportunity to ignite sales by providing an in-depth selection of canned and refrigerated meats. Among the canned specialties, ham, chicken, hash and deviled ham perform well, while the refrigerated case offers both frankfurters and bacon with plus potential. One-person households have found (as have blacks) that instant hot lunches suit their style, while seniors are loyal consumers of both canned ham and canned chicken. In general working women eschew these products.

Four out of five of these upper income groups exhibit above average consumption of canned ham. Canned chicken is also popular.

CANNED HAM — All Users

		% Using	Difference From Average (%)
	All Homemakers	21.5	
$20,000 +	Blacks	23.9	+11
	1-Person hh	15.0	−30
	65 +	25.3	+18
	35-44	23.5	+ 9
	Working Women (FT)	22.0	+ 2

CANNED CHICKEN — All Users

		% Using	Difference From Average (%)
	All Homemakers	8.0	
$20,000 +	Blacks	13.3	+67
	1-Person hh	6.1	−23
	65 +	9.8	+23
	35-44	9.4	+17
	Working Women (FT)	9.3	+16

Older consumers have yet to be convinced as to the merits of an instant hot lunch. But others—especially blacks—far exceed the national average. Blacks and 35-to-44's share a taste for canned chili.

INSTANT HOT LUNCHES — All Users

		% Using	Difference From Average (%)
	All Homemakers	5.6	
$20,000 +	Blacks	13.2	+135
	1-Person hh	7.7	+37
	65 +	4.4	−21
	35-44	8.1	+45
	Working Women (FT)	7.0	+24

CANNED CHILI — All Users

		% Using	Difference From Average (%)
	All Homemakers	24.3	
$20,000 +	Blacks	28.4	+17
	1-Person hh	16.0	−34
	65 +	18.8	−23
	35-44	30.9	+27
	Working Women (FT)	24.6	+ 1

Consumption of canned hash by upper-income blacks is an impressive 69 percent above the national average. They also exceed the other groups in their incidence of deviled ham purchases.

CANNED HASH — All Buyers

		% Using	Difference From Average (%)
	All Homemakers	12.4	
$20,000 +	Blacks	20.9	+69
	1-Person hh	8.9	−28
	65 +	11.6	− 6
	35-44	13.4	+ 8
	Working Women (FT)	11.1	−10

DEVILED HAM & OTHER MEAT PRODUCTS — All Users

		% Using	Difference From Average (%)
	All Homemakers	13.9	
$20,000 +	Blacks	18.0	+29
	1-Person hh	7.4	−46
	65 +	12.4	−10
	35-44	13.8	− 1
	Working Women (FT)	13.4	− 3

As a staple, rice finds its usage spread evenly over the five groups. Both blacks and one-person households are slow buyers of canned or jarred mushrooms.

RICE — All Users

		% Using	Difference From Average (%)
	All Homemakers	74.1	
$20,000 +	Blacks	79.3	+ 7
	1-Person hh	60.1	−19
	65 +	74.8	+ 1
	35-44	80.2	+ 8
	Working Women (FT)	72.8	− 2

CANNED OR JARRED MUSHROOMS — All Users

		% Using	Difference From Average (%)
	All Homemakers	36.6	
$20,000 +	Blacks	28.5	−22
	1-Person hh	30.3	−17
	65 +	38.7	+ 6
	35-44	47.2	+29
	Working Women (FT)	39.1	+ 7

While frankfurters and canned pasta aren't always thought of as the first choice of upper income households, they evidence robust consumption in both black and 35-to-44 upper income environments.

FRANKFURTERS/WEINERS — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	18.1	
$20,000 +	Blacks	23.7	+31
	1-Person hh	1.6	−91
	65 +	9.9	−45
	35-44	25.1	+39
	Working Women (FT)	18.2	+ 1

*4 + pkgs last 30 days.

CANNED PASTA — All Users

		% Using	Difference From Average (%)
	All Homemakers	19.6	
$20,000 +	Blacks	22.1	+13
	1-Person hh	10.5	−47
	65 +	13.0	−34
	35-44	23.8	+21
	Working Women (FT)	19.5	− 1

		SOUP, DRY MIX, BOULLION CUBES		BEANS PREPARED IN A SAUCE*		SOUP, CANNED 4 + cans last 30 days.		BACON 4 + pounds last 30 days.		PORK SAUSAGES 3 + pounds last 30 days.	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	49.5	—	16.8	—	46.4	—	19.1	—	23.4	—
$20,000 +	Blacks	33.0	−33	12.6	−25	33.2	−28	21.1	+11	26.5	+13
	1-Person hh	41.6	−16	3.7	−78	27.8	−40	4.1	−78	9.0	−61
	65 +	52.1	+ 5	16.2	− 3	34.8	−25	12.7	−34	20.5	−12
	35-44	61.3	+24	17.1	+ 2	55.6	+20	22.6	+18	29.1	+24
	Working Women (FT)	52.8	+ 7	14.7	−13	46.3	—	19.5	+ 2	22.5	− 4

Source: Mediamark Research Inc.

SEASONINGS/CONDIMENTS/SAUCES

Buying the Basics Is A Matter of Taste

Every kitchen cupboard and refrigerator has them—salt, ketchup, mustard and mayonnaise. But how quickly they are used up and replaced is a direct reflection of the household's demographics. Larger households, where the female homemaker is between 35 and 44, and the household income is over $20,000, consume these basic condiments at an astonishing pace. Upper-income black households, on the other hand, frequently add barbecue and seasoning sauces, soy sauce and gravy and sauce mixes to their shopping lists. Over 65's, together with one-person households, are the most likely to have switched to salt substitutes.

The incidence of heavy users of salt in upper-income black households is almost twice that of the general population. In obvious acknowledgement of health hazards associated with sodium, seniors have led the switch to salt substitutes.

SALT — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	11.8	
	Blacks	21.0	+77
$20,000 +	1-Person hh	1.8	-85
	65 +	4.4	-62
	35-44	14.0	+19
	Working Women (FT)	10.6	-11

*3 + containers last 6 months.

SALT SUBSTITUTES — All Users

		% Using	Difference From Average (%)
	All Homemakers	10.0	
	Blacks	10.5	+ 5
$20,000 +	1-Person hh	11.2	+12
	65 +	17.4	+74
	35-44	10.2	+ 2
	Working Women (FT)	9.2	-8

Mustard or mayonnaise on your sandwich? The answer is often both at heavy-consuming 35-to-44 households. Jars last a long time in refrigerators of one-person households.

MAYONNAISE/MAYO-TYPE DRESSING — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	9.4	
	Blacks	10.0	+ 7
$20,000 +	1-Person hh	1.7	-82
	65 +	7.0	-25
	35-44	13.8	+48
	Working Women (FT)	8.9	- 5

*3 + jars last 30 days.

MUSTARD — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	9.8	
	Blacks	8.9	- 9
$20,000 +	1-Person hh	2.0	-79
	65 +	6.2	-37
	35-44	13.1	+33
	Working Women (FT)	10.6	+ 8

*3 + jars last 3 months.

Barbecue and seasoning sauces have achieved near-staple status in many households, including those of upper-income blacks. All five groups show above-average use of soy sauce.

BARBECUE & SEASONING SAUCES — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	18.3	
	Blacks	27.7	+51
$20,000 +	1-Person hh	7.9	-57
	65 +	10.6	-42
	35-44	28.6	+56
	Working Women (FT)	21.9	+20

*4 + bottles last 3 months.

SOY SAUCE — All Users

		% Using	Difference From Average (%)
	All Homemakers	38.8	
	Blacks	41.2	+ 6
$20,000 +	1-Person hh	40.3	+ 4
	65 +	42.0	+ 8
	35-44	49.4	+27
	Working Women (FT)	44.2	+14

Experimentation with new types of cuisine has aided sales of seasonings and spices, especially among upper-income homemakers most likely to read about and try them.

SEASONING/SPICES — All Users

		% Using	Difference From Average (%)
	All Homemakers	59.4	
	Blacks	62.3	+ 5
$20,000 +	1-Person hh	49.0	-18
	65 +	60.4	+ 2
	35-44	67.8	+14
	Working Women (FT)	64.7	+ 9

GRAVY/SAUCE MIXES — Heavy Users*

		% Using	Difference From Average (%)
	All Homemakers	7.7	
	Blacks	9.4	+23
$20,000 +	1-Person hh	2.2	-71
	65 +	4.2	-45
	35-44	12.0	+56
	Working Women (FT)	7.8	+ 1

*4 + packages last 30 days.

In contrast with the general pattern of pickles far outstripping pickle relish in popularity, relish is almost as popular with upper-income blacks as pickles themselves, a fact to remember in space allocation.

PICKLES — All Users

		% Using	Difference From Average (%)
	All Homemakers	63.4	
	Blacks	49.0	-23
$20,000 +	1-Person hh	45.0	-29
	65 +	63.9	+ 1
	35-44	73.7	+16
	Working Women (FT)	65.5	+ 3

PICKLE RELISH — All Users

		% Using	Difference From Average (%)
	All Homemakers	38.5	
	Blacks	41.7	+ 8
$20,000 +	1-Person hh	25.2	-34
	65 +	39.1	+ 2
	35-44	47.5	+23
	Working Women (FT)	40.8	+ 6

		SPAGHETTI SAUCE		CATSUP 3 + bottles last 30 days.		NONSTICK PRODUCTS		SALAD DRESSING 3 + packages last 30 days.		OIL, SALAD OR COOKING*	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	58.9	—	10.3	—	34.9	—	26.5	—	16.5	—
	Blacks	55.8	- 5	9.7	- 7	20.2	-42	23.3	-12	13.9	-16
[illegible]	1-Person hh	51.5	-13	0.7	-93	29.9	-15	12.3	-53	3.9	-76
	65 +	48.3	-18	3.2	-69	36.0	+ 3	22.4	-15	12.6	-24
	35-44	65.7	+12	14.5	+41	40.8	+17	38.6	+46	20.6	+25
	Working Women (FT)	64.2	+ 9	10.6	+ 3	39.1	+12	31.0	+17	16.1	- 2

Source: Mediamark Research Inc.

GENERAL MERCHANDISE

Leisure-Time Accessories Soak Up Their Cash

While the food a supermarket sells is a necessity to its customers, most of the items stocked in the general merchandise section are subject to shopper whim—and willingness to allocate disposable income to them. The five groups studied here have different ideas on how that spending should be done. Pantyhose is the only strong across-the-board favorite. Seniors go for greeting cards and indoor plant food; working women for books, video tapes and writing instruments; blacks for cameras, auto wax and motor oil additives; and one-person households for books and audio tapes. The saw-toothed usage patterns confirm the inappropriateness of uniform stocking policies.

In stores that are frequently shopped by live-alones and working women, a generous space allocation for books is in order. Audio records and tapes should also sell well in these locations.

BOOKS — Heavy Users*

		% Using	Difference From Average (%)
	All Adults	11.2	
	Blacks	7.0	−37
$20,000 +	1-Person hh	18.2	+62
	65 +	10.0	−10
	35-44	15.7	+40
	Working Women (FT)	17.4	+56

*Bought 12 + in last 12 months.

AUDIO RECORDS & TAPES — All Buyers

		% Using	Difference From Average (%)
	All Adults	31.2	
	Blacks	26.5	−15
$20,000 +	1-Person hh	38.4	+23
	65 +	15.1	−52
	35-44	40.0	+28
	Working Women (FT)	36.4	+17

Older people who can afford to do so like to keep in touch or mark an occasion with a greeting card. Stores with any type of upper income shopper (particularly blacks and live-alones) should experience a run on pantyhose.

GREETING CARDS — Heavy Users

		% Using	Difference From Average (%)
	All Adults	18.1	
	Blacks	16.2	−11
$20,000 +	1-Person hh	18.6	+ 3
	65 +	24.3	+34
	35-44	20.8	+15
	Working Women (FT)	23.6	+30

*More than 8 in the last 30 days.

PANTYHOSE/STOCKINGS — Heavy Users*

		% Using	Difference From Average (%)
	All Women	17.8	
	Blacks	35.9	+102
$20,000 +	1-Person hh	30.9	+74
	65 +	19.4	+ 9
	35-44	22.5	+27
	Working Women (FT)	25.0	+41

*Bought 6 + pair last 30 days.

Seniors, shown elsewhere to be below average in incidence of pet ownership, often care for and feed some plants instead. The vanguard of the video boom is upper income 35-to-44 households.

INDOOR PLANT FOOD — All Buyers

		% Using	Difference From Average (%)
	All Homemakers	31.2	
	Blacks	28.0	−10
$20,000 +	1-Person hh	36.1	+16
	65 +	41.9	+35
	35-44	35.8	+15
	Working Women (FT)	34.0	+ 9

VIDEO TAPE/DISCS (PURCHASE) — All Buyers

		% Using	Difference From Average (%)
	All Adults	8.4	
	Blacks	8.3	− 1
$20,000 +	1-Person hh	8.9	+ 5
	65 +	5.2	−38
	35-44	15.4	+82
	Working Women (FT)	11.4	+36

Buying a camera, and then the film it needs, is a frequent occurrence among both 35-to-44's and working women. Seniors have least interest in picture taking.

CAMERAS — All Buyers

		% Using	Difference From Average (%)
	All Adults	11.2	
	Blacks	14.2	+26
$20,000 +	1-Person hh	9.2	−18
	65 +	5.1	−54
	35-44	14.6	+30
	Working Women (FT)	14.3	+28

FILM — Heavy Buyers*

		% Using	Difference From Average (%)
	All Homemakers	20.2	
	Blacks	15.1	−25
$20,000 +	1-Person hh	18.1	−10
	65 +	12.0	−40
	35-44	30.0	+49
	Working Women (FT)	27.4	+36

*7 + rolls last 12 months.

In general, upper income households are not enthusiasts about do-it-yourself auto maintenance. Blacks, however, show a high interest in auto wax, polish and motor oil additives; and 35-to-44's are frequent heavy users of motor oil (see below).

AUTO WAX & POLISH — All Users

		% Using	Difference From Average (%)
	All Adults	30.6	
	Blacks	42.6	+39
$20,000 +	1-Person hh	31.9	+ 4
	65 +	24.2	−21
	35-44	33.5	+ 9
	Working Women (FT)	29.5	− 3

MOTOR OIL ADDITIVES — All Users

		% Using	Difference From Average (%)
	All Adults	14.9	
	Blacks	21.7	+46
$20,000 +	1-Person hh	12.6	−15
	65 +	13.9	− 7
	35-44	13.7	− 8
	Working Women (FT)	13.8	− 7

	MOTOR OIL		ANTI-FREEZE		BATTERIES* 9 + last 12 months.		TOYS/GAMES FOR CHILDREN		WRITING INSTRUMENTS	
	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
Total	19.5	—	46.3	—	16.0	—	40.9	—	41.2	—
Blacks	11.8	−40	48.8	+ 5	12.4	−23	40.3	− 1	39.8	− 3
1-Person hh	13.6	−30	42.0	− 9	6.1	−62	28.0	−31	38.7	− 6
65 +	17.0	−13	43.3	− 7	7.7	−52	22.7	−45	27.9	−32
35-44	26.6	+36	50.2	+ 8	27.5	+72	52.4	+28	48.4	+17
Working Women (FT)	12.8	−34	40.9	−12	18.5	+16	51.5	+26	48.0	+16

Source: Mediamark Research Inc.

PET PRODUCTS

Reigning Cats and Dogs in Those 35-to-44 Households

One-half of female homemakers report there's a cat or dog in the household. While 24.0 percent have one or more cats, 37.4 percent have one or more dogs. Both cats and dogs are most likely to live in rural areas and least likely to live in urban areas, with suburbs falling in between. Both receive an above-average welcome in the Pacific and in large (people) households. Only half as many black households as white shelter either a cat or a dog. Their incidence rises along with household income and the concomitant ability to buy food for them. Seven out of 10 cat owners say at least 90 percent of their cat's diet is commercial pet food.

A substantial 52.2 percent of households where the female homemaker is 35-to-44 own one or more dogs, with their preferred methods of feeding dry, followed by canned and semi-moist. While full-time working women are also habituées of the pet food aisle, the other three demographic groups buy at only half the rate.

DOG FOOD, CANNED **All Users**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	13.8	
Blacks	8.6	−38
1-Person hh	7.4	−46
65 +	9.2	−33
35-44	21.9	+59
Working Women (FT)	16.7	+22

DOG FOOD, DRY **All Users**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	27.3	
Blacks	12.3	−55
1-Person hh	10.8	−61
65 +	17.6	−36
35-44	37.8	+38
Working Women (FT)	33.2	+21

DOG FOOD, MOIST **All Buyers**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	10.5	
Blacks	3.9	−63
1-Person hh	6.0	−43
65 +	7.6	−28
35-44	15.2	+44
Working Women (FT)	11.9	+13

DOG BISCUITS, TREATS **All Users**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	20.6	
Blacks	10.8	−47
1-Person hh	13.2	−36
65 +	20.4	−1
35-44	32.7	+58
Working Women (FT)	26.0	+26

Cats make it into 31.2 percent of 35-to-44 households. But like dogs they have low penetration in black, one-person or 65+ domiciles. Finicky or not, they most often are served dry food, followed by canned and semi-moist.

CAT FOOD, CANNED **All Users**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	13.5	
Blacks	8.3	−39
1-Person hh	12.2	−10
65 +	7.2	−47
35-44	21.2	+56
Working Women (FT)	17.0	+25

CAT FOOD, DRY **All Buyers**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	21.0	
Blacks	9.2	−56
1-Person hh	13.5	−36
65 +	13.5	−36
35-44	29.0	+38
Working Women (FT)	24.3	+15

CAT FOOD, MOIST **All Buyers**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	9.3	
Blacks	8.8	−6
1-Person hh	3.5	−63
65 +	4.6	−51
35-44	14.9	+60
Working Women (FT)	11.8	+26

CAT LITTER **All Buyers**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	14.9	
Blacks	7.1	−52
1-Person hh	14.5	−2
65 +	10.2	−31
35-44	20.5	+38
Working Women (FT)	18.9	+28

FLEA/TICK CARE PRODUCTS **All Users**

$20,000 +

	% Using	Difference From Average (%)
All Homemakers	32,1	
Blacks	22.9	−39
1-Person hh	16.4	−49
65 +	28.7	−11
35-44	46.7	+46
Working Women (FT)	36.6	+14

Source: Mediamark Research Inc.

TOBACCO

Cigarette Usage Burns Bright Among Upper Income Blacks

Incidence of cigarette smoking among both men and women declines as three demographic factors advance: age, education and income. Still, there are upper-income pockets that outstrip the all-population averages. Both black men and black women ($20,000 + households) are above-average prospects for purchasing cigarettes in a supermarket, as to a lesser extent are 35-to-44's and working women. The lowest incidence is among seniors. Men 35-to-44 are prospects for both cigars and pipe tobacco. Because of its concentration in rural, low income areas, chewing and smokeless tobacco scored low with all four groups of upper-income males.

CIGARETTES **All Users**

		% Using	
	All Men	39.2	Difference From Average (%)
$20,000 +	Blacks	42.9	+ 9
	1-Person hh	38.0	– 3
	65 +	21.2	– 46
	35-44	41.5	+ 6

CIGARILLOS **All Users**

		% Using	
	All Men	2.1	Difference From Average (%)
$20,000 +	Blacks	1.6	– 24
	1-Person hh	2.3	+ 9
	65 +	0.1	- 96
	35-44	1.3	– 40

CIGARS **All Users**

		% Using	
	All Men	7.0	Difference From Average (%)
$20,000 +	Blacks	5.3	– 24
	1-Person hh	7.1	+ 1
	65 +	5.0	– 29
	35-44	7.5	+ 7

PIPE TOBACCO **All Users**

		% Using	
	All Men	5.0	Difference From Average (%)
$20,000 +	Blacks	3.8	– 22
	1-Person hh	5.3	+ 6
	65 +	5.3	+ 6
	35-44	6.2	+ 24

CIGARETTES **All Users**

		% Using	
	All Women	36.7	Difference From Average (%)
	Blacks	45.2	+ 23
$20,000 +	1-Person hh	32.8	– 11
	65 +	20.1	– 45
	35-44	40.0	+ 9
	Working Women (FT)	40.1	+ 9

DISPOSABLE LIGHTER **All Users**

		% Using	
	All Adults	30.3	Difference From Average (%)
	Blacks	32.5	+ 7
$20,000 +	1-Person hh	26.9	– 11
	65 +	16.5	– 45
	35-44	31.2	+ 3
	Working Women (FT)	33.0	+ 9

CHEWING/SMOKELESS TOBACCO **All Users**

		% Using	
	All Men	7.8	Difference From Average (%)
$20,000 +	Blacks	3.1	– 60
	1-Person hh	3.3	– 58
	65 +	2.8	– 65
	35-44	6.9	– 11

Both men and women vary from the national averages in their cigarette-smoking incidence in accordance with their demographics, with both black men and women, most exceeding the average and both senior men and women falling furthest short.

Cigarillos (or little cigars) are most frequently smoked, among our upper income groups, by men living alone. Both blacks and working women have taken to the convenience of disposable lighters.

While prospects for finding "a good nickel cigar" dimmed around the time the buffalo nickel itself disappeared, seven men in one hundred still light up. While about the same proportion use chewing or smokeless tobacco, incidence is scant among upper income households.

Upper income black men do not share the enthusiasm of their three peer groups for pipe tobacco. The scholarly image attributed to cigar smokers, incidentally, is borne out by the above-average incidence of cigar-smoking college graduates (not shown).

Source: Mediamark Research Inc.

HBA-WOMEN

Live-Alone Women Paint a Pretty Picture for Beauty Products

Even among higher income women, there's no homogeneity in the health and beauty aid preferences. While live-alones are above average consumers of almost all female HBA products, their numbers almost go off the chart for lipstick, pressed powder and foundation makeup. Hair care items such as hair conditioners and setting lotions are favorites with black women, along with nail polish, deodorants and perfume. Older women have their own distinct profile, heavy on face creams, as well as loose face powder and hair sprays. Foundation makeup, mascara and blusher are favored by appearance-conscious working women.

Marketers of deodorants and scents to women can find some heady prospects among both blacks and live-alones. Older women tend to use less perfume and cologne than do others.

Upper income black women are more likely to paint their nails and less likely to paint their lips than women in the other four groups. Live-alones lead in lipstick usage.

Older women have maintained their allegiance to loose face powder, while the other groups favored pressed powder. Usage by black women is slightly below average for both.

Wearing a bird of paradise may no longer be in fashion, but painted cheeks and painted eyes are, especially among live-alones, 35-to-44's and working women.

Incidence of use of hair conditioners is half again as high for black women as for the population as a whole. Heavy users of face creams and lotions are often over 65.

DEODORANT, ANTIPERSPIRANT — Heavy Users*

		% Using	Difference From Average (%)
	All Women	8.8	
$20,000 +	Blacks	13.4	+53
	1-Person hh	11.0	+25
	65 +	8.0	− 8
	35-44	7.6	−14
	Working Women (FT)	8.7	—

*15 + times last 7 days.

PERFUMES/COLOGNE — Heavy Users*

		% Using	Difference From Average (%)
	All Women	19.1	
$20,000 +	Blacks	35.3	+85
	1-Person hh	23.0	+21
	65 +	12.0	−37
	35-44	23.8	+25
	Working Women (FT)	21.2	+11

*8 + times last 7 days.

NAIL POLISH — Heavy Users*

		% Using	Difference From Average (%)
	All Women	9.1	
$20,000 +	Blacks	14.9	+63
	1-Person hh	9.9	+ 9
	65 +	6.5	−29
	35-44	7.4	−19
	Working Women (FT)	9.0	− 1

*4 + times last 7 days.

LIPSTICK/LIP GLOSS — Heavy Users*

		% Using	Difference From Average (%)
	All Women	20.7	
$20,000 +	Blacks	21.9	+ 6
	1-Person hh	40.1	+94
	65 +	27.9	+35
	35-44	29.8	+44
	Working Women (FT)	26.3	+27

*11 + times last 7 days.

FACE POWDER, LOOSE — All Users

		% Using	Difference From Average (%)
	All Women	21.2	
$20,000 +	Blacks	21.0	− 1
	1-Person hh	25.6	+21
	65 +	36.4	+72
	35-44	15.1	−29
	Working Women (FT)	19.7	− 7

PRESSED POWDER — Heavy Users*

		% Using	Difference From Average (%)
	All Women	4.3	
$20,000 +	Blacks	4.0	− 7
	1-Person hh	9.1	+110
	65 +	5.0	+14
	35-44	5.5	+27
	Working Women (FT)	5.3	+22

*8 + times last 7 days.

MASCARA — Heavy Users*

		% Using	Difference From Average (%)
	All Women	6.3	
$20,000 +	Blacks	6.6	+ 6
	1-Person hh	9.0	+44
	65 +	2.8	−55
	35-44	9.0	+43
	Working Women (FT)	8.6	+36

*8 + times last 7 days.

BLUSHER — Heavy Users*

		% Using	Difference From Average (%)
	All Women	10.4	
$20,000 +	Blacks	9.2	−11
	1-Person hh	16.7	+60
	65 +	6.9	−34
	35-44	14.3	+37
	Working Women (FT)	13.8	+33

*8 + times last 7 days.

HAIR CONDITIONING PRODUCTS — All Users*

		% Using	Difference From Average (%)
	All Women	34.3	
$20,000 +	Blacks	52.9	+54
	1-Person hh	29.7	−13
	65 +	29.3	−15
	35-44	31.1	− 9
	Working Women (FT)	35.5	+ 3

FACE CREAMS/LOTIONS — Heavy Users*

		% Using	Difference From Average (%)
	All Women	2.6	
$20,000 +	Blacks	2.0	−23
	1-Person hh	3.6	+37
	65 +	4.6	+76
	35-44	2.4	− 8
	Working Women (FT)	2.2	−18

*15 + times last 7 days.

		HAIR SPRAYS		HAIR SETTING PRODUCTS		FOUNDATION MAKE-UP*		TAMPONS		SANITARY NAPKINS*	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	56.8	—	15.1	—	7.4	—	37.7	—	16.2	—
$20,000 +	Blacks	45.1	−20	28.3	+88	5.2	−30	53.7	+43	17.4	+ 7
	1-Person hh	55.5	− 2	12.2	−19	13.1	+77	35.5	− 6	11.0	−32
	65 +	66.3	+17	21.1	+40	7.2	− 2	3.7	−90	3.8	−78
	35-44	57.7	+ 2	15.3	+ 2	9.3	+27	48.1	+28	25.2	+55
	Working Women (FT)	55.9	− 2	14.9	− 1	9.8	+33	42.1	+37	20.4	+26

Source: Mediamark Research Inc.

HBA-ADULTS

Extreme Diversity in Choice Marks Remedies and Oral Hygiene

Space allocation in HBA sections can profitably be modulated to fit the unique consumption patterns of local shoppers. Seniors are looking for headache and indigestion remedies, sleeping pills and, yes, denture cleaners and laxatives. Oral hygiene-conscious blacks buy a lot of mouthwash and breath fresheners along with dental rinse. But their intake of vitamins falls far below that of the other four upper income groups. Flossing is favored by live-alones, as well as by working women. Conscious of their appearance and the amount of personal contect they're involved in, working women evidence towering consumption of diet pills, and are also heavy on toothpaste.

Incidence of heavy users of vitamins among upper income blacks is only about one-third that of the other groups. Both blacks and seniors exceed the average in usage of sleeping tablets.

VITAMINS, TABLETS/CAPSULES/LIQUIDS — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	4.5	
$20,000 +	Blacks	2.1	−53
	1-Person hh	6.6	+45
	65 +	6.0	+32
	35-44	5.3	+18
	Working Women (FT)	6.3	+40

*More than 20 last 7 days.

SLEEPING TABLETS — **All Users**

		% Using	Difference From Average (%)
	All Adults	3.2	
$20,000 +	Blacks	5.3	+65
	1-Person hh	3.5	+ 8
	65 +	4.4	+37
	35-44	3.3	+ 1
	Working Women (FT)	2.9	−10

Only the older adults show a substantially above average presence of heavy users of headache remedies. On the other hand, they are least likely to be users of cold/sinus/allergy remedies.

HEADACHE REMEDIES/PAIN RELIEVERS — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	29.1	
$20,000 +	Blacks	17.9	−38
	1-Person hh	27.3	− 6
	65 +	34.0	+17
	35-44	29.5	+ 1
	Working Women (FT)	31.0	+ 7

*8 + times last 30 days.

COLD/SINUS/ALLERGY REMEDIES — **All Users**

		% Using	Difference From Average (%)
	All Adults	45.9	
$20,000 +	Blacks	50.6	+10
	1-Person hh	43.0	− 6
	65 +	32.2	−30
	35-44	50.2	+ 9
	Working Women (FT)	51.5	+12

Heavy users of laxatives are present among seniors at twice the overall adult rate. They are also good prospects for indigestion aids and upset stomach remedies.

LAXATIVES — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	4.8	
$20,000 +	Blacks	5.5	+15
	1-Person hh	4.0	−18
	65 +	11.5	+138
	35-44	3.3	−32
	Working Women (FT)	3.1	−36

*5 + times last 30 days.

INDIGESTION AIDS/UPSET STOM. REMEDIES — **All Users**

		% Using	Difference From Average (%)
	All Adults	50.2	
$20,000 +	Blacks	49.1	− 2
	1-Person hh	41.7	−17
	65 +	56.6	+13
	35-44	48.0	− 4
	Working Women (FT)	48.8	− 3

Working women place a premium on shining smiles based on good dental hygiene as they lead the pack in usage of both toothpaste and dental floss.

TOOTHPASTE — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	13.2	
$20,000 +	Blacks	14.8	+12
	1-Person hh	13.2	—
	65 +	12.0	− 9
	35-44	13.6	+ 3
	Working Women (FT)	15.1	+15

*15 + times last 7 days.

DENTAL FLOSS — **All Users**

		% Using	Difference From Average (%)
	All Adults	48.7	
$20,000 +	Blacks	45.1	− 8
	1-Person hh	59.3	+22
	65 +	45.1	− 7
	35-44	56.5	+16
	Working Women (FT)	65.4	+34

An in-depth selection of the various sizes and brands of mouthwash is a must in stores serving upper income blacks. Four out of 10 affluent seniors use denture cleaners.

MOUTHWASH — **Heavy Users***

		% Using	Difference From Average (%)
	All Adults	10.7	
$20,000 +	Blacks	20.7	+94
	1-Person hh	8.9	−17
	65 +	10.3	− 4
	35-44	9.9	− 8
	Working Women (FT)	9.2	−14

*8 + times last 7 days.

DENTURE CLEANERS — **All Users**

		% Using	Difference From Average (%)
	All Adults	18.6	
$20,000 +	Blacks	13.0	−30
	1-Person hh	12.7	−32
	65 +	38.1	+105
	35-44	11.6	−38
	Working Women (FT)	12.4	−33

		DENTAL RINSE		BREATH FRESHENERS		DIET PILLS		COUGH SYRUP		PAIN RELIEVING RUBS/LIQUIDS	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	10.8	—	8.4	—	6.1	—	24.7	—	28.0	—
$20,000 +	Blacks	16.4	+51	12.2	+46	6.6	+ 7	33.5	+35	39.1	+40
	1-Person hh	10.0	− 8	5.5	−35	3.6	−42	18.7	−24	21.3	−24
	65 +	7.7	−29	3.5	−58	2.0	−67	21.9	−11	28.8	+ 3
	35-44	12.4	+14	9.9	+18	8.2	+34	22.0	−11	25.8	− 8
	Working Women (FT)	13.1	+21	10.9	+31	10.0	+64	24.3	− 1	26.3	− 6

Source: Mediamark Research Inc.

HBA-MEN

Groom for Improvement Enriches HBA Usage by Men

Among upper income males, two groups shine as ardent consumers of health and beauty aid products—blacks and live-alones. Black men are above average users of deodorants, hair conditioners, hand and body creams and lotions and complexion care products. Adequate shaving aids sections are a must for stores catering to one-person households, with shaving creams, blades and aftershave preparations all in demand. Older men show an above-average preference for pre-electric shave lotion, as well as creme hair rinses, hair tonics and dressings. Overall, upper income men are well disposed toward spending on HBA.

Keeping a smooth chin is especially important to men who live alone, a group which is most likely to shave more than once a day.

Over 65's are most likely to use electric shavers and therefore apply a special pre-shave lotion. After-shave lotion splashing is favored by live-alones and 35-to-44's.

As is the case with black women (See HBA-Women), black men far exceed the average in their proportion of heavy users of deodorants. They also buy hand and body creams and lotions.

While hair coloring products score well, as expected, among gray-tressed over 65's, many upper income black men also report usage. Live-alones are above-average users of shampoo.

A rigorous hair care regimen by black men is evidenced by their more than doubling the national incidence of usage of hair tonics and dressings and hair conditioning products. Over 65's maintain their allegiance to tonics.

RAZOR BLADES — **Heavy Users***

		% Using	Difference From Average (%)
	All Men	2.2	
$20,000 +	Blacks	3.0	+35
	1-Person hh	3.7	+63
	65 +	1.0	−54
	35-44	2.8	+24

*8 + times last 7 days.

SHAVING CREAMS OR GELS — **Heavy Users***

		% Using	Difference From Average (%)
	All Men	2.6	
$20,000 +	Blacks	3.0	+14
	1-Person hh	6.4	+146
	65 +	2.8	+ 8
	35-44	3.5	+34

*8 + times last 7 days.

PRE-ELECTRIC SHAVE LOTION — **All Users**

		% Using	Difference From Average (%)
	All Men	14.4	
$20,000 +	Blacks	12.2	−15
	1-Person hh	10.2	−29
	65 +	23.4	+63
	35-44	11.7	−19

AFTERSHAVE LOTION/COLOGNE — **Heavy Users***

		% Using	Difference From Average (%)
	All Men	9.2	
$20,000 +	Blacks	8.8	− 5
	1-Person hh	11.2	+22
	65 +	5.7	−38
	35-44	11.2	+22

*8 + times last 7 days.

DEODORANTS/ANTIPERSPIRANTS — **Heavy Users***

		% Using	Difference From Average (%)
	All Men	6.8	
$20,000 +	Blacks	14.5	+114
	1-Person hh	5.2	−23
	65 +	3.0	−56
	35-44	7.4	+ 9

*15 + times last 7 days.

HAND/BODY CREAM/LOTION — **All Users**

		% Using	Difference From Average (%)
	All Men	47.7	
$20,000 +	Blacks	74.3	+56
	1-Person hh	39.9	−16
	65 +	54.3	+14
	35-44	43.7	− 9

HAIR COLORING PRODUCTS — **All Users**

		% Using	Difference From Average (%)
	All Men	6.9	
$20,000 +	Blacks	16.4	+139
	1-Person hh	0.3	−95
	65 +	11.8	+72
	35-44	5.7	−27

SHAMPOO — **Heavy Users**

		% Using	Difference From Average (%)
	All Men	42.8	
$20,000 +	Blacks	17.3	−60
	1-Person hh	54.8	+28
	65 +	15.2	−65
	35-44	48.3	+13

HAIR TONIC/DRESSING — **All Users**

		% Using	Difference From Average (%)
	All Men	20.7	
$20,000 +	Blacks	40.4	+95
	1-Person hh	16.1	−22
	65 +	34.5	+66
	35-44	14.8	−29

HAIR CONDITIONING PRODUCTS — **All Users**

		% Using	Difference From Average (%)
	All Men	17.3	
$20,000 +	Blacks	37.7	+117
	1-Person hh	13.8	−20
	65 +	18.2	+ 5
	35-44	17.8	+ 1

		HAIR SPRAYS		CREME HAIR RINSE		COMPLEXION CARE PRODUCTS*		MEDICATED SKIN OINTMENTS		DISPOSABLE RAZORS	
		% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.	% Using	Versus Avg.
	Total	26.5	—	30.2	—	4.6	—	10.9	—	39.8	—
$20,000 +	Blacks	32.3	+22	30.6	+ 1	9.2	+100	10.7	− 2	40.0	—
	1-Person hh	22.2	−16	22.0	−27	3.3	−29	8.0	−26	29.6	−26
	65 +	26.9	+ 2	20.7	+32	2.6	−44	10.7	− 2	31.8	−20
	35-44	30.6	+15	29.5	− 2	4.8	+ 3	10.4	− 4	41.6	+ 5

*8 + times last 7 days.

Source: Mediamark Research Inc.

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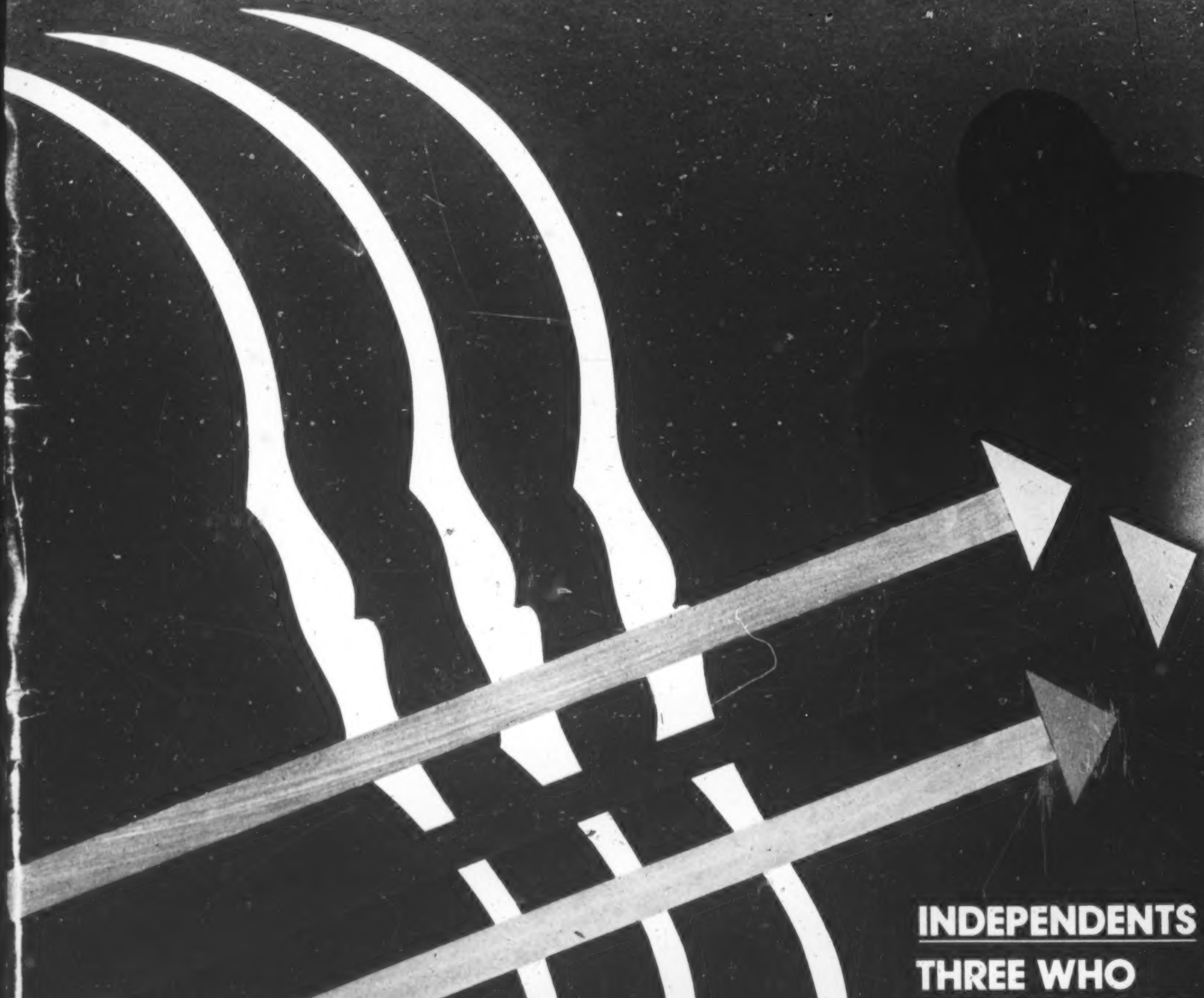

INDEPENDENTS

THREE WHO FOUGHT BACK AND MADE IT

SUPERMARKET BUSINESS

PART ONE
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VOLUME 40
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HOW THREE INDEPENDENTS FOUGHT BACK AND ARE MAKING IT 19

For the superpowers in retailing, new forms of competition can mean open warfare. For others though, open warfare is a last, and bad, resort. The independent can't afford to do battle in a big way. Some are learning, however, that there are things they can do. Here is a look at three independents who fought back, and how they did it.

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PROMOTION POWER 25

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AN UPSCALE MARKET IN DOWNTOWN PITTSBURGH 30

This store has brought a service-oriented, upscale approach to a less-than-affluent, eclectic Pittsburgh neighborhood.

DISCOVER AMARRACA:
HOW ONE STORE HOPES TO BE A NEW WORLD OF RETAILING 35

Bugged by what he thought was the disagreeable nature of food shopping, Pittsburgh developer William Marra has created what he calls "a consumer's supermarket."

INSTORE BUSINESS*
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NONFOODS BUSINESS:
THE STANDARD STORE'S CHALLENGE: KEEPING GM/HBA SHOPPERS FROM TURNING THEIR BACKS 45

With super stores heavily into GM/HBA and warehouse store holdouts waking up, today's shoppers have more choice than ever. Keeping his share of the profitable nonfoods business is the standard store operator's challenge.

SOMETIMES, B.A.D.D. IS GOOD
LLOYD'S HBA WAREHOUSE STORE 55

Lloyd's was looking for a way to convert a conventional supermarket into something else. He's done it with Big Al's Deep Discount, a low-cost HBA store with a selection of non perishable foods.

NONFOODS 'AS AN AFTERTHOUGHT' SCORE BIG
AT TALLAHASSEE'S WAREHOUSE FOODS 59

They "play" nonfoods here, with creative cross-merchandising. And Warehouse Foods does well with them, for a store "not really into nonfood."

HOW TO MOTIVATE THE 'PROBLEM' EMPLOYEE
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It's a mistake to think that you can "manage" the problem employee. A better strategy is to control what you can: the situation and the consequences.

CHECKOUT:
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A Korean supermarket in an old-fashioned Jewish neighborhood in New York is pulling in the regulars anew with the cachet of fresh sushi.

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SUPERMARKET BUSINESS

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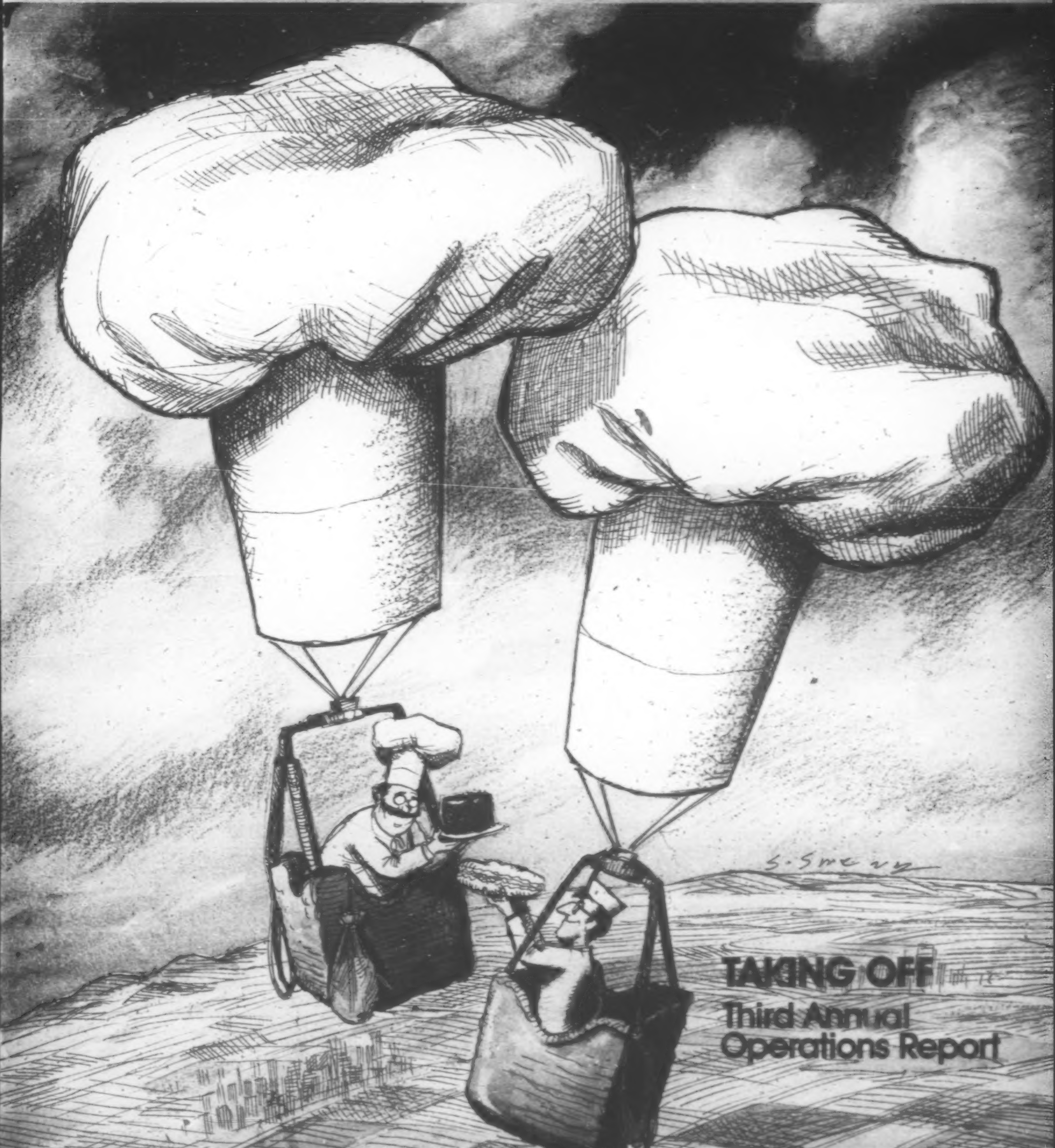
FOR DELIS, BAKERIES & FOODSERVICE

PART TWO OF TWO PARTS

JULY 1985



TAKING OFF

Third Annual Operations Report

instore BUSINESS

FOR DELIS, BAKERIES & FOOD SERVICE

Be it through thoughtful calculation or old-fashioned dumb luck, the rise of instore bakeries and service delis in supermarkets reflects the tempo of the times. The appeal of cheap food has faded along with double-digit inflation; "health" (often a code word for bland and dull) food plateaued with a loyal but limited constituency. The American taste has swerved toward freshness, novelty, taste and convenience.

And the rise of the nation's endlessly innovative and experimental bakeries and delis has kept pace. This report statistically confirms these departments' ascent. But it also points out that, as in every area of day-to-day affairs, there's still room for improvement...and identifies it.

As suggested by our airborne chef and baker, the sky's the limit.

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Bakery Report 7A
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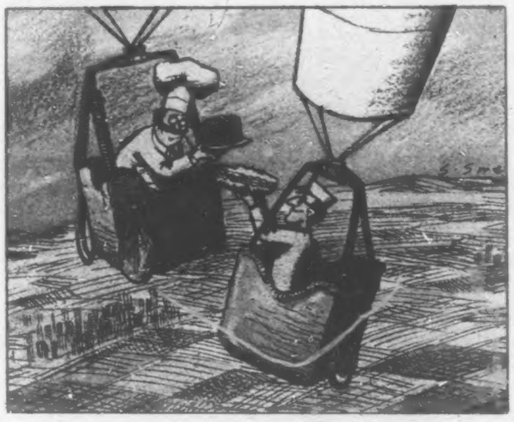

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THIRD ANNUAL OPERATIONS REPORT

INSTORE BAKERY REVIEW

PREPARED BY ROBERT DIETRICH

They take up a lot of space, present problems in personnel training, require expensive equipment, are sometimes misunderstood or ignored by store managers and prevent everyday inventory management programs in the form of stales. They are also outpacing every other department in the store in annual sales growth and are a proven crowd attracter and pleaser. They, of course, are instore bakeries.

In 1984, their number grew to 16,350, attaining a presence in 54.5 percent of supermarkets, as average weekly sales per store increased by 7.5 percent to $4,300. These two tracks of growth combined to elevate total sales of all instores to $3.65 billion, up 12.3 percent over 1983.

As increasingly health-conscious Americans cool down their alcohol intake and burn up the jogging track, they increasingly reward themselves with a wholesome, preservative-free sweet treat from the instore. Even washboard stomachs need an occasional reward.

Picking up that treat has become easier too, as techniques for bulk self-service presentation have proliferated. Side-by-side availability of packaged self-service, bulk self-service and traditional service in many cases exist.

Scratch/mix operations represent about 18 percent of instores as bake offs reach 50 percent and the other 32 percent combine the two disciplines. Bake-offs seem likely to continue to grow slowly in share, particularly as high-volume installations in large new stores (including super warehouse stores) acknowledge the difficulties of fielding a trained cadre of professional bakers or of training part timers to stretch beyond the most basic prep techniques.

Instores, given their usual advantage of being first in the store traffic pattern, still face the challenge of attracting more people out of that traffic than is currently the case (28.5 percent).

Honest efforts in that direction include better organized advertising and promotion (more space in weekly ads and more frequent sampling) as well as awareness of new product opportunities (croissants, cookies, crusty breads, bagels and muffins are far from exhausted, and we can only guess at their successors).

NOTE: For meaningful comparison with your own operations, two types of averages are shown in this report. The mean is a straight arithmetic average. The median represents the central value when the responses are arranged in rank order—meaning that half of the respondents gave an answer higher than the median and half gave a lower answer. The figures in this report are based on mail responses by industry executives responsible for over 10,000 supermarkets.

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THIRD ANNUAL OPERATIONS REPORT

SERVICE DELI REVIEW

PREPARED BY ROBERT DIETRICH

Something is cooking in the service deli department, which is fast becoming the acknowledged cauldron of new ideas in the contemporary supermarket. The new waves of changing American tastes in food are often felt first in the deli.

"A pound of potato salad, a half pound of Swiss and a pound of salami" may still be heard frequently across a typical deli counter, but new voices are being heard as well. The salad today may be a pricey crabmeat, offered with ideas for serving on a fresh baked croissant. The cheese of choice may be a new California goat cheese. And what fun is sliced meat after you've seen a counter full of pile-'em-high shaved meats?

Convenience, freshness, service and novelty—the hallmarks of a successful service deli—are often scarce commodities in other parts of new stadium-sized supermarkets. No other department offers comparable stimulation for the eye (crocks of salads artfully garnished and lighted), the nose (especially when the barbecue is in operation) and the mouth (sampling has vaulted to number one position among promotional techniques).

And no other supermarket department mandates human-to-human contact and guaranteed conversation about that most cherished of human activities—no, not sex—eating.

As deli directors and senior industry management came together this spring at a series of trade meetings, there was a palpable recognition that this is the moment of the deli and the moment of the instore bakery. Along with the produce department, they represent the way people want to, and can mostly afford to, live now.

No surprise then that the figures in this report show a further expansion to 16,700 service deli units (up 5.0 percent), racking up $5.17 billion in annual sales.

Operators are gaining a new perspective on what their customers really want, and it's not—or at least it's not only—good weekly price specials.

A study commissioned by The International Deli Bakery Association confirms that price takes a back seat to attractions such as cleanliness, service and quality.

Product mix (going upmarket), product presentation (more European casing) and product merchandising (more, and more artful sampling) will likely keep that deli cauldron bubbling.

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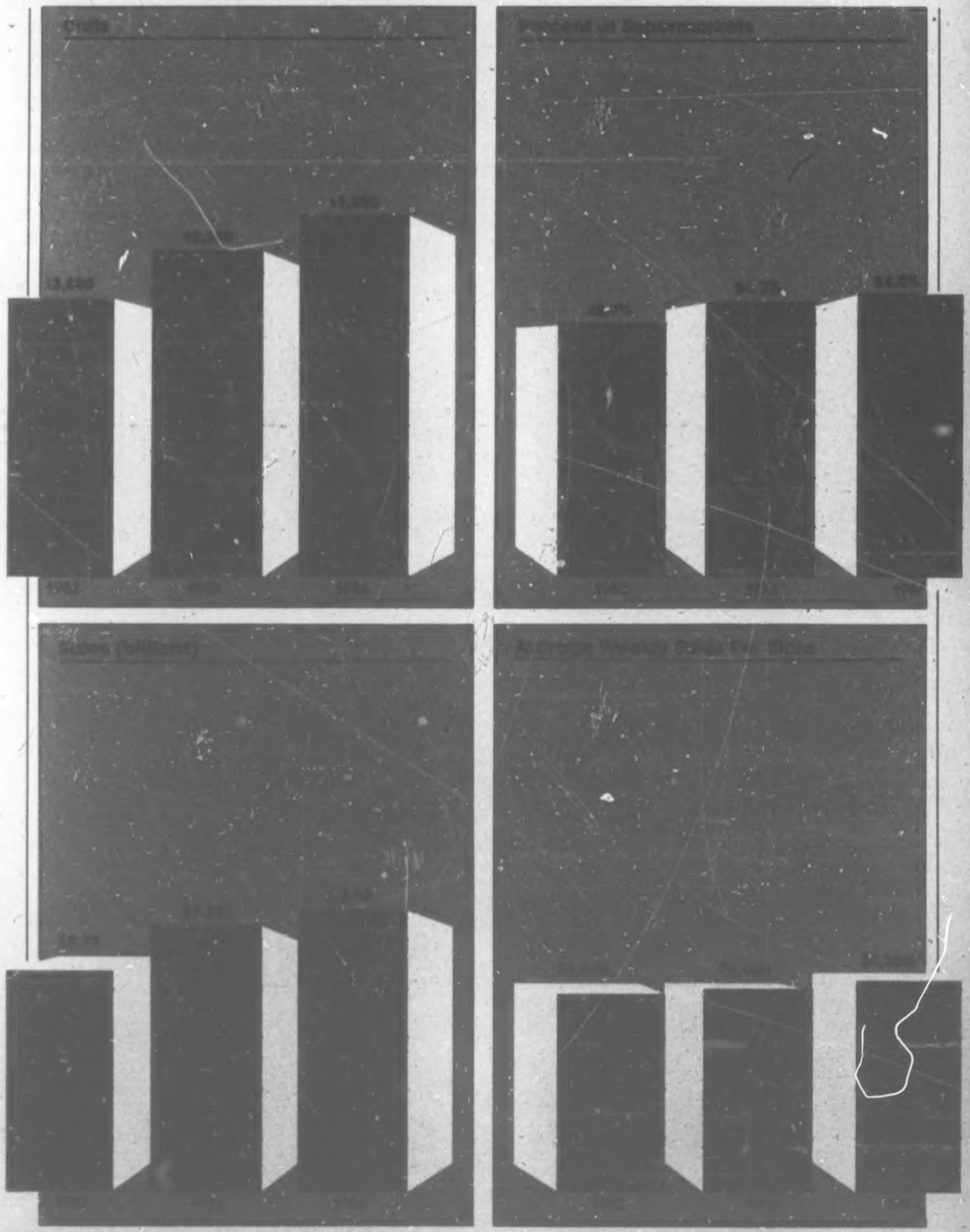
BAKERY: STATISTICAL REPORT CARD

"Where's your bakery?" is a more likely question from first-time shoppers in a supermarket these days then "Do you have a bakery?" The answer to the latter question would be "yes" in 16,350 U.S. supermarkets, 54.5 percent of the total. Objections to bakeries such as "It's a different business from running a supermarket," or "They take up too much space," have melted like glaze on a doughnut in the face of their ability to recruit store-loyal shoppers, and enhance overall store image.

At the same time that instore bakeries are expanding and enhancing their repertoire of self-service merchandising techniques, average sales per bakery are growing at an increasing rate. Possibly, but not likely, a coincidence. Where not inhibited by local sanitation ordnances, stores are offering customers an array of self-service bulk opportunities that range from roll bins up to cakes on trays that customers box themselves. In 1984, sales of an average department increased a lively 7.5 percent to $4,300 a week.



Bakery's share of store sales edged up from 2.5 percent to 2.7 percent in 1984, a not inconsequential accomplishment in the face of competition from extended nonfoods departments in the same stores. Three out of four bakeries were able to record an increase in share of store sales. The demarcation line for gross margins is 50.0 percent, with half of operations exceeding that level and the other half falling short of it.

Average Weekly Sales	
Mean	$4,300
Median	$3,750
$2,000 or less	10%
$2,001–$3,000	20
$3,001–$4,000	[illegible]
$4,001–$6,000	37
$6,001–$8,000	10
Over $8,000	5
Total	100%

Change in Dollar Sales (1984 Vs. 1983)	
Higher	87%
Lower	8
No change	5
Total	100%

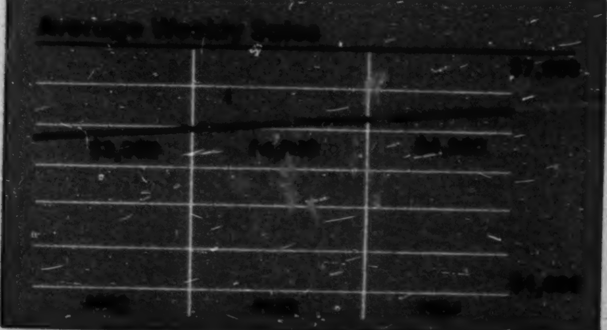
Share of Total Store Sales	
Mean	2.7%
Median	2.5%

% of Total Sales	
Less than 1.5%	13%
1.5–1.9	18
2.0–2.9	31
3.0–3.9	[illegible]
4.0–4.9	[illegible]
5.0 or more	4
Total	100%

Change in Share of Total Store Sales	'84 vs. '83	'85 vs. '84
Increased share	85%	74%
No change	13	22
Decreased share	2	4
Total	100%	100%

Gross Margins	
Mean	[illegible]
Median	50.0%
Less than 40%	7%
40–49	39
50–59	32
60 or more	22
Total	100%

Average Weekly Sales



BEST NEW LOOKS

A&P's Sav-A-Center, Melville, N.Y.

Pies as big as compact cars and doughnuts the size of great danes signal shoppers to the abundance and freshness of baked goods in this newest of A&P prototypes. European-style baskets sitting on unfinished wood shelving reinforce the "just-baked" image without sabotaging the store's overall low-price positioning. Signing in changeable strips is both easy-to-read and accessible without getting in the way of the product.

Equipment-intensive instore bakery departments consumed an average of 5.3 percent of store space at last count, unchanged from a year before. At the same time, their average space requirement grew to 1,370 square feet as newly opened stores continued to grow in size. But with sales growing at a faster rate than space utilized, the departments happily realized a 6.4 percent increase in weekly sales per foot, to $3.14. Bakeries find themselves joined to a deli in four stores out of 10.

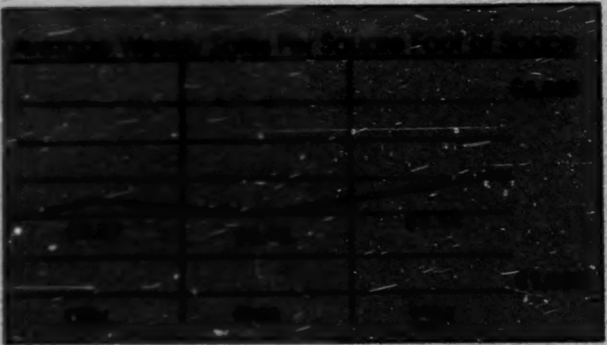
Size of Departments

Square Feet of Space	
Mean	1,370 Square Feet
Median	[illegible] Square Feet
Square Feet	
500 or less	[illegible]
501–750	11
751–1000	[illegible]
1001–1500	[illegible]
1501–2000	[illegible]
2001–2500	11
Over 2500	6
Total	100%

Share of Total Store Space	
Mean	[illegible]
Median	[illegible]
Percent of Space	
2.5 or less	[illegible]
2.6–5.0	[illegible]
5.1–7.5	[illegible]
7.6–10.0	[illegible]
Over 10.0	[illegible]
Total	100%

Measures of Productivity

Average Weekly Sales Per Square Foot of Space	
Mean	$3.14
Under $2.50	[illegible]
$2.51–$5.00	[illegible]
Over $5.00	[illegible]
Total	100%


Average Weekly Sales Per Square Foot of Space

The Delibakery Concept

Stores Combining Deli and Bakery Into a Joint Delibakery Department	[illegible]

BEST NEW LOOKS

Kohl's Food Stores, Milwaukee, Wis.

This recent remodel welcomes the shopper with "Larry's Deli on the Square," a four-sided island (partly shown on left) featuring fresh pizza, imported cheeses, sausages, dip ice cream, soft drinks and popcorn. Passing to the right of the island, the shopper finds the right wall accommodating a bakery department followed by deli. Grocery shelving in this part of the store is kept deliberately low so that the streamer sign announcing individual deli and bakery products can be clearly read from several aisles.

INSTORE BAKERY REVIEW

It takes the equivalent of 5.8 full-time employees to keep an average instore bakery fired up. Increasingly, bakeries try to keep fresh product coming out all day long rather than shut down the ovens at noon or earlier. And this means having production personnel assigned to keeping the shelves and bins from looking sold-down during those peak five-to-seven p.m. shopping hours. Sales per employees (FTE) edged up to $741 per week. Eight out of 10 stores have employees on hand trained in custom cake decorating.

Number of Employees

Full Time	[illegible]
Part Time	[illegible]
Full Time-Equivalent*	[illegible]
FTE Employees	
1–2	[illegible]
3–4	[illegible]
5–6	[illegible]
7–9	[illegible]
10 or more	[illegible]
Total	100%

*2 part time = 1 full-time employee

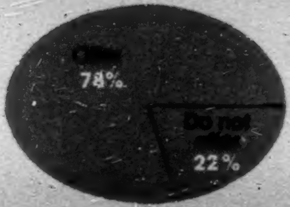
How Much for Labor

(Labor as a Percent of Instore Bakery Sales)

Mean	[illegible]
Median	[illegible]
Under 26%	[illegible]
26–30	[illegible]
31–35	[illegible]
36–40	[illegible]
Over 40	[illegible]
Total	100%

Cake Decorating

% of Stores Offering

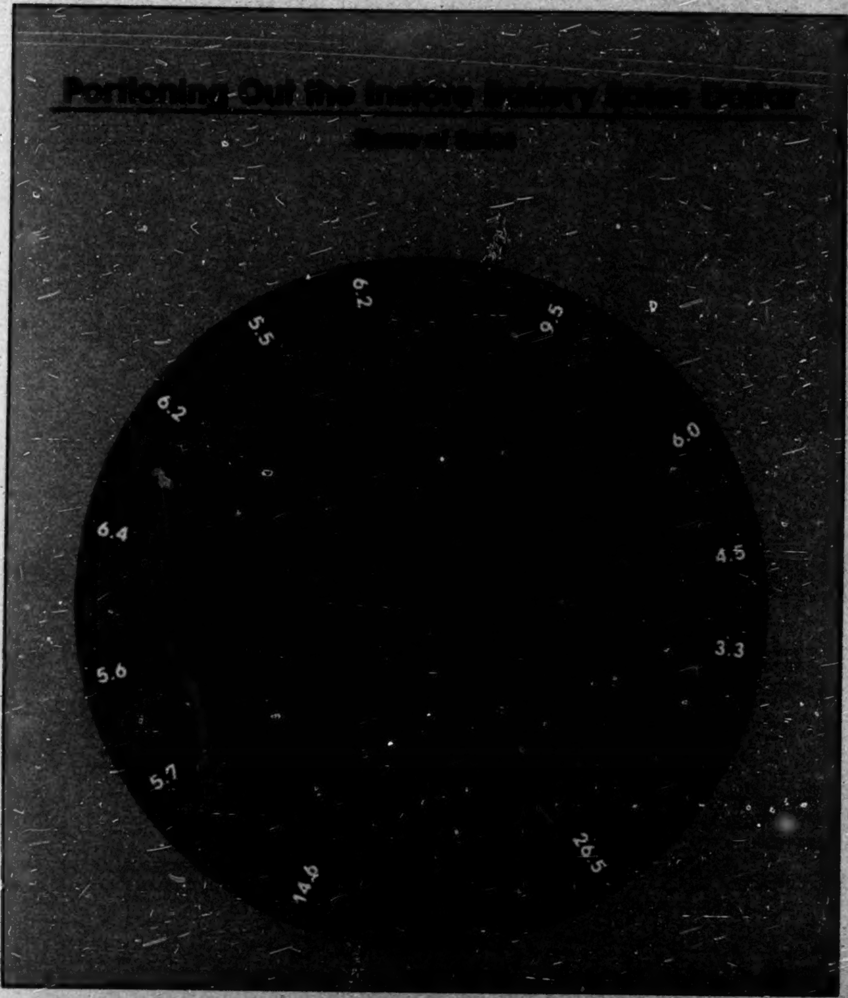


BEST NEW LOOKS

Pick 'n Save, Milwaukee, Wis.

Is a super-low-price image for groceries incompatible with a quality image for deli and bakery? "Not at all," says Joe May, partner in this super warehouse store. "Pick 'n Save makes people automatically think of low prices. So we asked our designer Dorothy Berggren (Berggren Designs, Chicago) to open up our deli-bakery area so customers could see the prep work going on and recognize the quality merchandise and cleanliness image we're projecting." Before reaching the deli-bake on the back wall of the store, customers pass through aisles of stacked-high, low-price groceries.

The ability to absorb new flavors or stuffings helps to sustain croissants high on the "new" list, as this borrowing from the French moves from "fad-and-fashion" to staple status. Although commercial baked goods sections are bulging under the weight of soft cookie introductions, instores report a good reaction to new soft and gourmet cookie offerings. Overall share of 1 white bread and rolls is receding slightly, although within that category there is increasing enthusiasm for crusty products.



Portioning Out the Instore Bakery Sales Dollar

Share of Sales

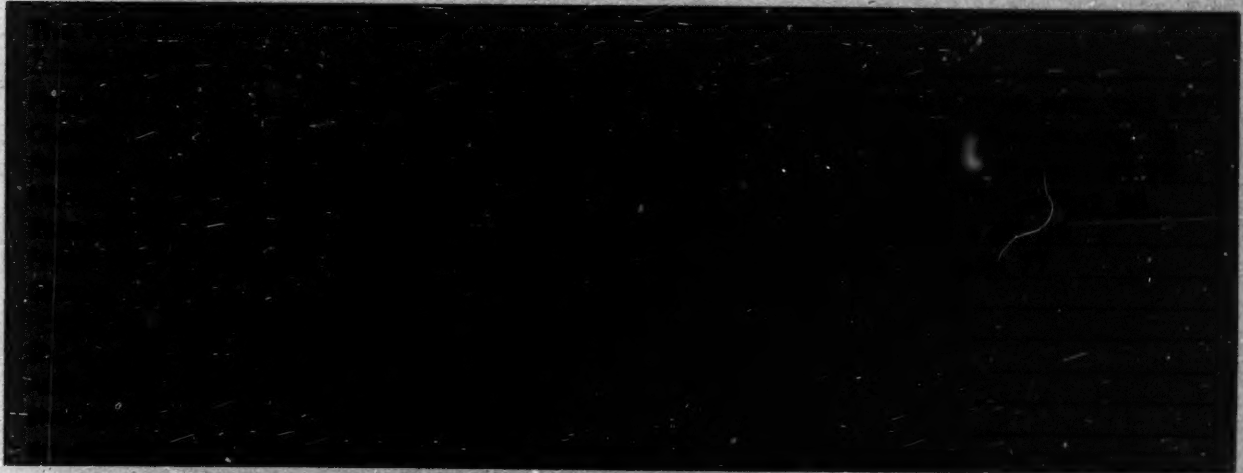
[illegible]

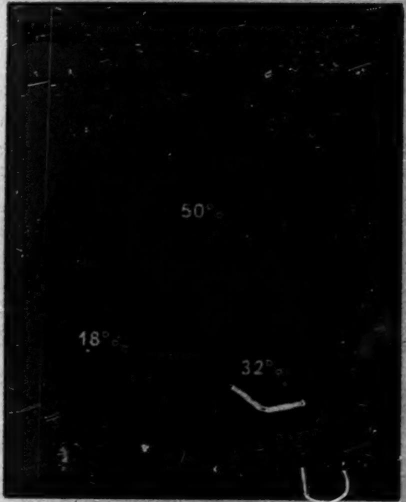
BEST NEW LOOKS

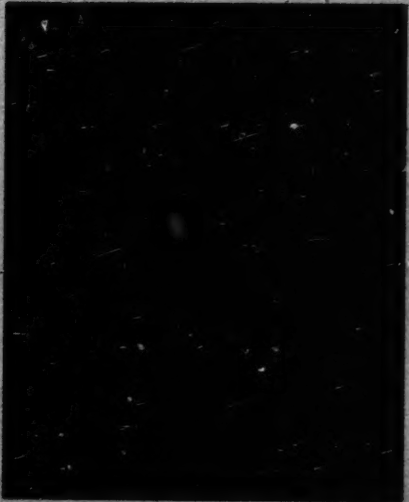
Super Shaw's, Dover, N.H.

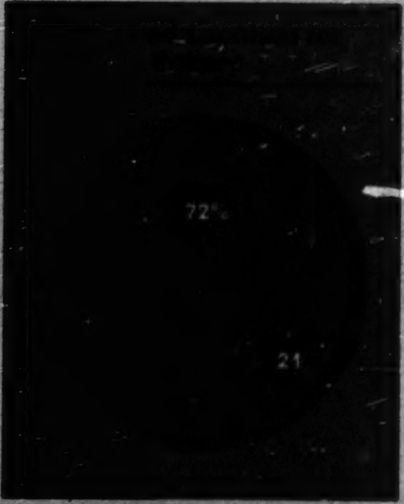
Located in the front left corner of Shaw's prototypical new super store, the bakery and deli departments achieve a strong visual identity through the use of crayon-bright canvas awnings. While the bakery hugs the wall, the service deli occupies an island, one side of which is given to chilled beer. The service departments are given credit for the store's success vis-a-vis a Hannaford Bros. outlet of comparable size and only a croissant's throw away. The Shaw's design is from CDI Designs, Inc. (Riverdale, N.Y.).

The core of scratch/mix operators remained at 18 percent in 1984, as bake-offs grew from 46 percent to 50 percent (with an offsetting loss among combination operations). Whatever the method of preparation, sampling is likely to be used to tempt customers, and now outranks newspaper advertising as a method of influencing shoppers. Almost three out of four operators prefer to have the bakery first in line near the store entrance.









BEST NEW LOOKS

Xtra Super Food Center, Hialeah, Fla.

This larger-than-life super warehouse store (77,000 sq. ft. overall) shouts out its bakery location in four-foot-high black stenciling on a yellow awning. "The Bakery Factory" follows the store policy of making production workers as visible as possible. Several tables groaning under loads of packaged baked goods encourage shoppers to sweep an armful into their shopping carts. Hanging photomurals over the tables help give the department its own special identification.

On the whole, shoppers may be said to "pick their food" when it comes to the instore bakery. Only three in 10 make any purchase at all, and when they do, close to half spend less than a dollar. These are, of course, only averages. Merchandising-savvy operators do far better, as will others who emulate them. While bake-off dominates most products, mixes are strong for several products, including doughnuts.

How Customers Spend

Percent Who Shop the Instore Bakery		How Much They Spend	
Mean	[illegible]	[illegible]	[illegible]
Median	[illegible]	[illegible]	[illegible]

Methods of Preparation

	Bake-off	[illegible]	[illegible]
Bread and rolls	[illegible]	[illegible]	[illegible]
Yeast-raised doughnuts	[illegible]	[illegible]	[illegible]
Cake doughnuts	[illegible]	[illegible]	[illegible]
Sweet goods	[illegible]	[illegible]	[illegible]
Cookies	[illegible]	[illegible]	[illegible]
Pies	[illegible]	[illegible]	[illegible]
Layered cakes	[illegible]	[illegible]	[illegible]
Croissants	[illegible]	[illegible]	[illegible]
Brownies	44	[illegible]	[illegible]

The supply lines running to the nation's instore bakeries originate at several sources. Bakery distributors delivering direct to stores relieve pressure on grocery warehouse space.

Who Supplies Instore Bakeries

% Using

	Bakery Distributor Supplier	Grocery Wholesaler	Ingredients Manufacturer	Wholesale Baker
Bake-off	[illegible]	57%	[illegible]	7%
Mix	61	[illegible]	43	[illegible]
Scratch	[illegible]	[illegible]	[illegible]	[illegible]

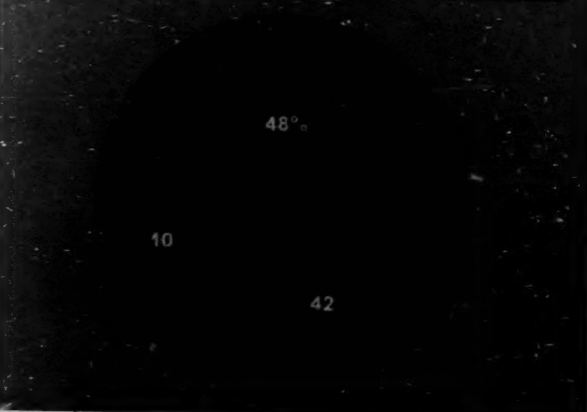
NOTE: Includes multiple answers.

[illegible]	[illegible]
[illegible]	[illegible]
Total	100%

Half of bakery executives expect their operations to move toward more self-service in the future, as the amount of service contracts and self-service bulk opportunities expand. Service, however, still accounts for 38 percent of sales.

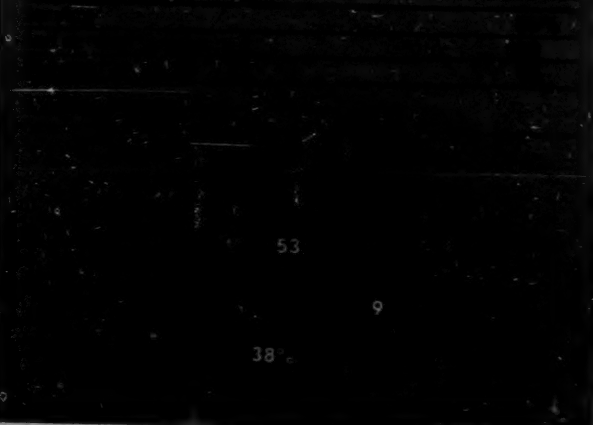
Trends In Service

Direction Executives Expect Their Bakeries to Move



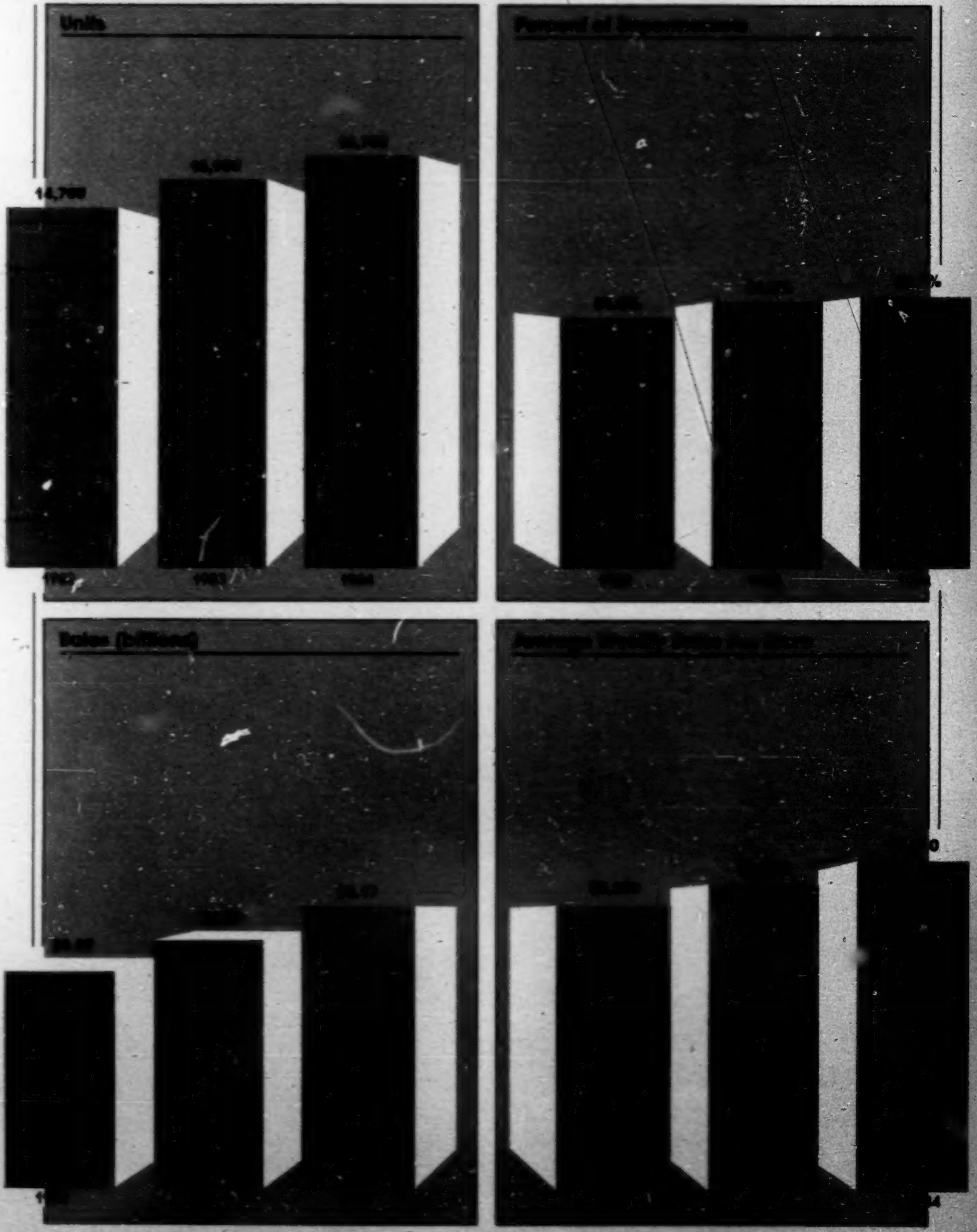
Service Vs. Self-Service

% of Bakery Dollars



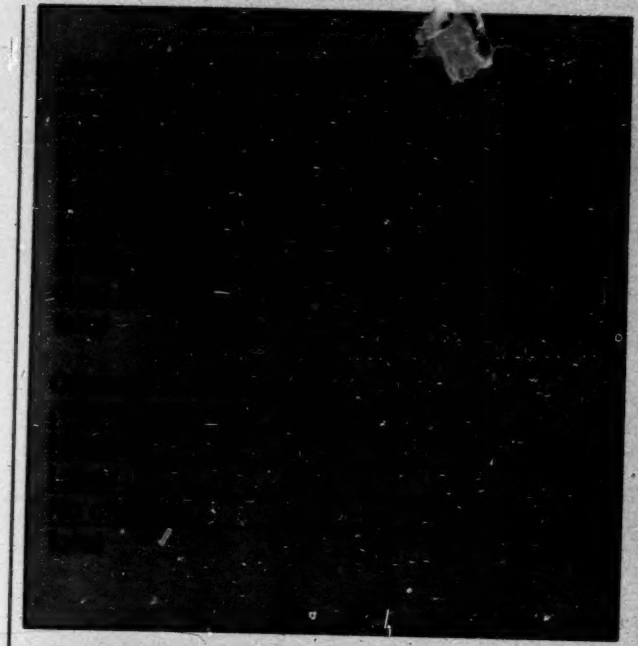
DELIS: STATISTICAL REPORT CARD

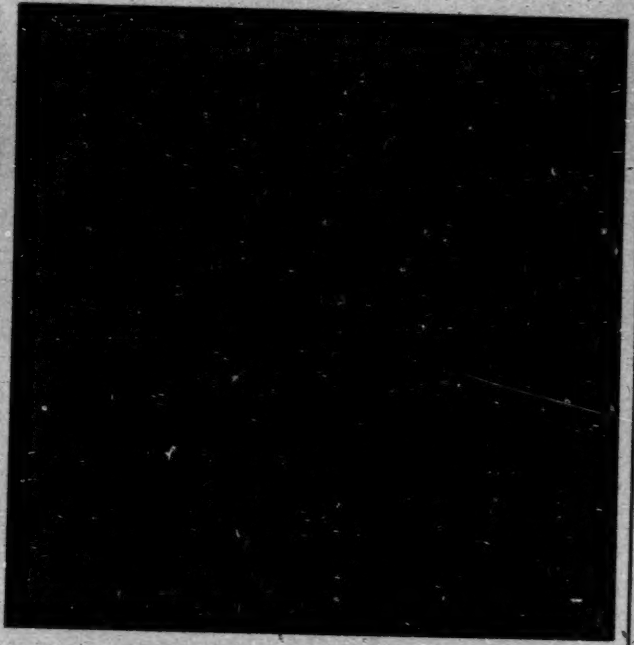
The population of service delis in U.S. supermarkets showed a net increase of 800 last year to 16,700, up 5.0 percent. Increasingly, service delis serve as a "position statement" for a new store, carrying the responsibility for projecting an image of both freshness and service. While approximately three out of four new delis are part of new store openings, one fourth are the keystone of plans to remodel or enlarge older stores. From upmarket super stores to low price super warehouse stores, no format can afford to overlook the allure of the service deli.



Sales of service delis in supermarkets passed the formidable five billion dollar mark last year. Despite their presence in only slightly more than half of all outlets, these departments showed a growth in sales (12.6 percent) that allowed them to leapfrog the grosses of such traditional store stalwarts as pet foods and soft drinks. Growth in average weekly sales was helped by the fact that most new departments are located in larger high-traffic new stores.

On average, service delis rack up four out of 100 sales dollars. Mere share of store sales, however, is an imprecise indicator of a department's health. For example, as outsized stores load up with enormous nonfoods sections, bulk foods, and service meat and fish departments, even the most robust service deli must happily settle for a more modest sales share. The median gross margin, meanwhile, remains at 40 percent, with half of service delis doing better and half not as well. Average weekly sales may be enhanced by two factors: (1) Upgrading of the product mix to include more gourmet rather than commodity items, as is the case with salads, and (2) increasing recognition in the industry that there may be too much emphasis on weekly price specials at the expense of the shoppers' real priorities: service and quality.





BEST NEW LOOKS

Winn-Dixie's Marketplace, Valdosta, Ga.

This upmarket prototype represents Winn-Dixie's latest competitive positioning. The island cheese shop shown here is a bridge between the bakery (center and right) and deli (left) departments. Suspended frames of hanging ferns lend a tone of both freshness and luxury. From the drawing boards of Herb Ross Designs (Bronx, N.Y.), this prototype is expected to be duplicated soon in the Greater Atlanta market as a counterthrust to the invading Cubs.

Even with the room given over to prep areas, service delis take a smaller percent of store space on the average than they register in store sales (3.7 percent of space versus 4.0 percent of sales). Averaging 925 square feet, these departments can be expected to grow as larger new stores allot them spacious accommodations. From store to store, sales per square foot in service delis shows wide variation, with a third of the stores averaging under $5.00 in weekly sales per square foot, while a few top $20. While arguments for and against the joint delibake seem likely to remain unresolved, the concept is entrenched in four out of 10 operations.

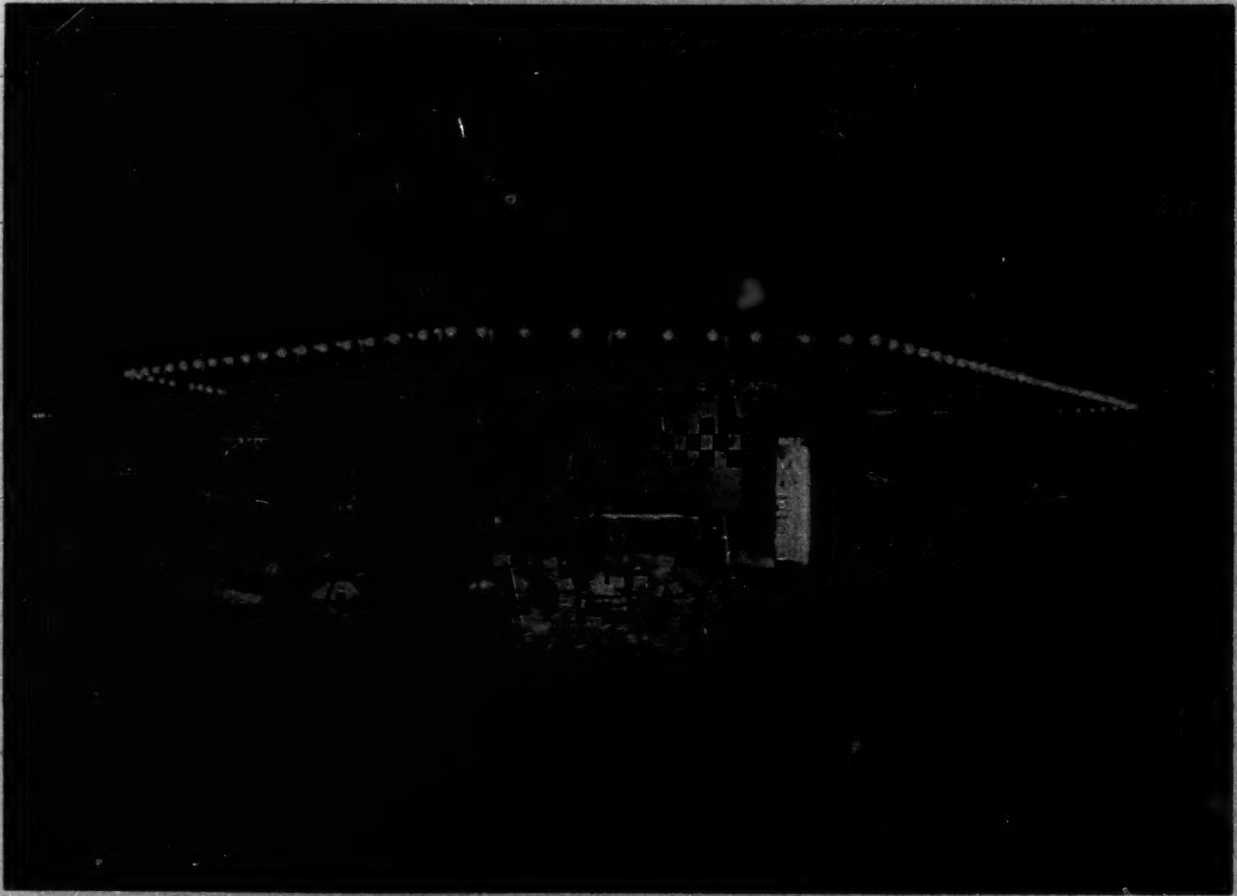
[illegible]

[illegible]

[illegible]

[illegible]

BEST NEW LOOKS



J. Bildner & Sons, Boston, Mass.

Located in a historic Back Bay mansion, this small-sized (5,075 square feet) store has made room for a deli operation that's strictly contemporary. Designed by CDI Designs (Bronx, N.Y.), the deli achieves its elegant patina by setting an array of delicacies in European cases, backing them with tiled walls, lighting them warmly, and manning them with uniformed and knowledgeable personnel. An unseen staff of nine labors in the basement kitchen.

Almost inevitably, the balance in service deli workforces continues to shift toward part timers, with 2.7 part-time employees behind the counter for every full-timer. This, of course, has serious implications for training and supervisory standards, a subject that has been aired at recent industry meetings. Constant turnover of poorly paid, under-motivated workers does little to enhance the service image. Sales per employee remained flat in 1984, while labor as a percent of sales contracted slightly to 21.8 percent. Three quarters of the worktime in an average deli goes to customer service, with the balance allotted to prep, housekeeping, etc.

[illegible]	
Full Time	[illegible]
Part Time	[illegible]
Full [illegible]	[illegible]
PT [illegible]	
[illegible]	[illegible]
3–[illegible]	[illegible]
[illegible]	[illegible]
7–9	[illegible]
10 or more	[illegible]
Total	[illegible]

[illegible]

How Much for Labor

(Labor as a Percent of Service Deli Sales)	
Mean	[illegible]
Median	[illegible]
10–15%	[illegible]
16–20	[illegible]
21–25	[illegible]
26–30	18
Over 30	4
Total	100%

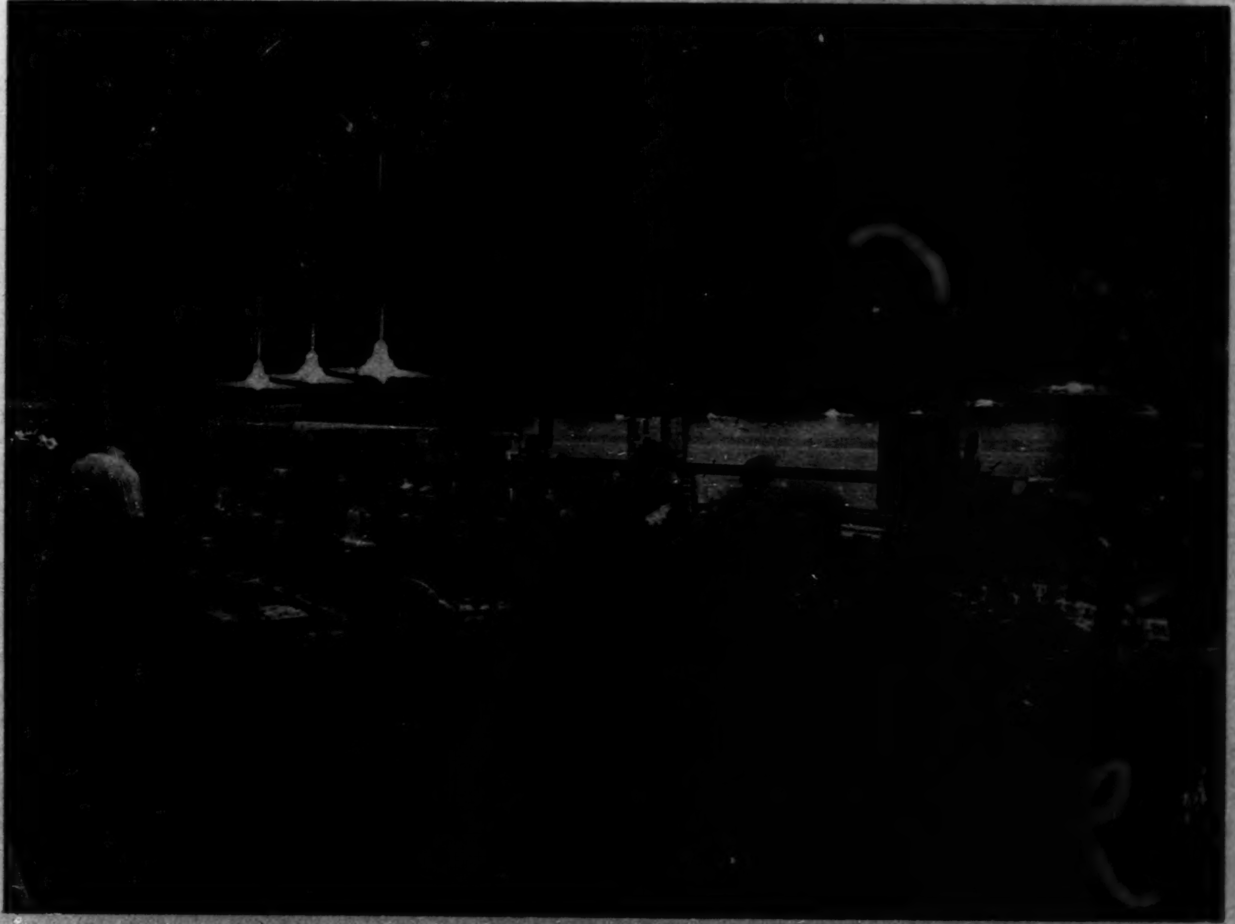
Time for Prep and Service

Breakdown of Labor Hours	[illegible]	[illegible]	76%
	[illegible]	[illegible]	24
	Total		100%

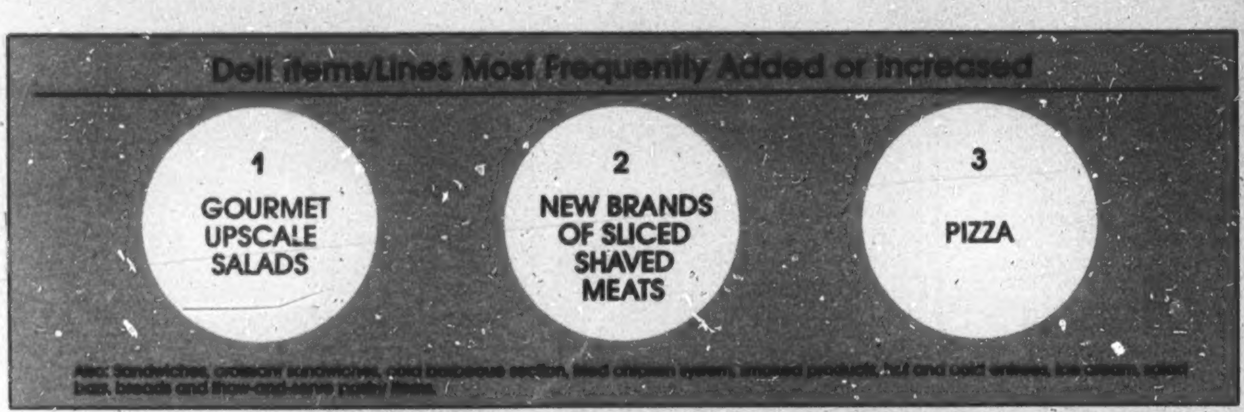
BEST NEW LOOKS

Shop N Bag, Larchmont, N.J.

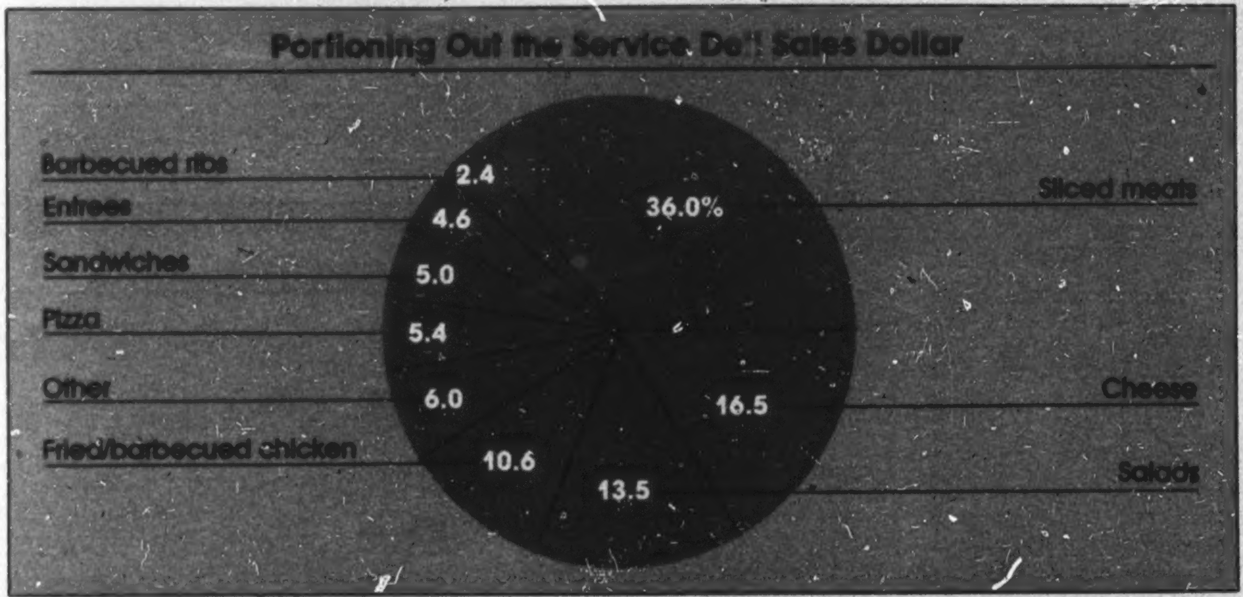
"We wanted to make this like a corner deli, a separate entity tucked away where customers wouldn't see any other part of the store," says Lee Corman, vice president of nine-store Shop N Bag (Marlton, N.J.). Given this concept, Barbara Barker, president of Off the Wall Co., Inc. (Sellersville, Pa.), achieved the effect Corman wanted through the use of a dropped ceiling, a green canopy and product-directed lighting.



Service deli management must constantly re-edit its product mix to reflect changing customer preferences. Recently, that has meant adding more gourmet salads (pasta, not macaroni, please), new lines of sliced meats (often in the shaved format that continues to grow in popularity), and pizza, often prepared on premise to customer specifications. While less than one dollar in five presently goes to hot foods, many see it as one of the most promising potential growth areas, particularly if appealing lines of microwavable entrees can be developed and effectively merchandised. More attention is also being given to better organizing the deli sandwich business, with the establishment of sandwich stations.


Deli Items/Lines Most Frequently Added or Increased

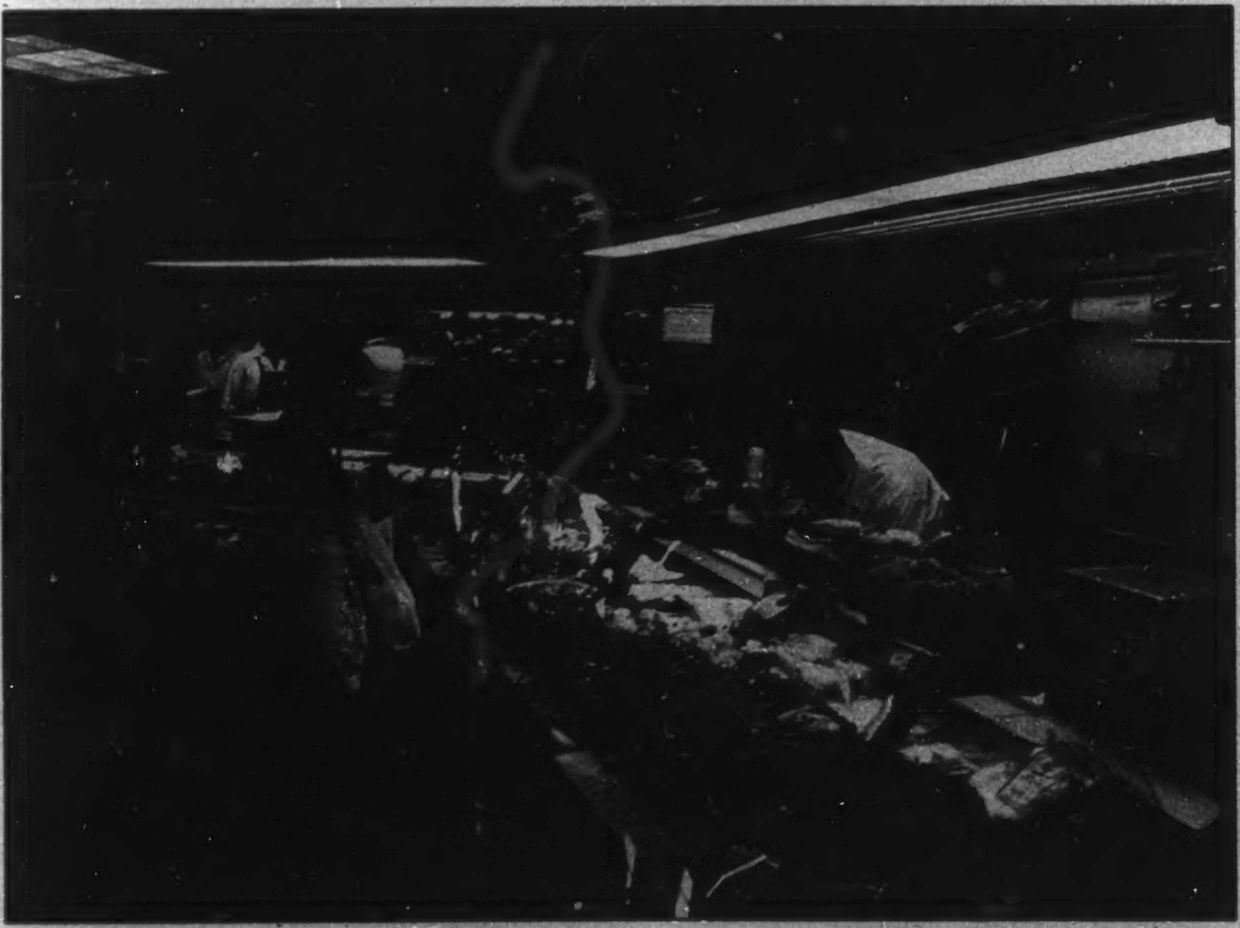
Also: Sandwiches, croissant sandwiches, cold barbecue section, fried chicken system, smoked products, hot and cold entrees, ice cream, salad bars, breads and thaw-and-serve pastry items.


Portioning Out the Service Deli Sales Dollar

BEST NEW LOOKS

Food Emporium, N.Y., N.Y.

Its garrets of starving artists having long been replaced by condos of high-income overachievers, Greenwich Village is proving a hospitable site for the newest Food Emporium sponsored by Shopwell, Inc. (Bronx, N.Y.). The wing-shaped deli department is located in the front left corner. The aluminum strips shimmering overhead provide an apt reflection of the rich assortment of fresh foods arrayed in the Nax casing below. (The calculated upscale image of the store extends to providing the security guard with a uniform fit for a Monagesque policeman.)



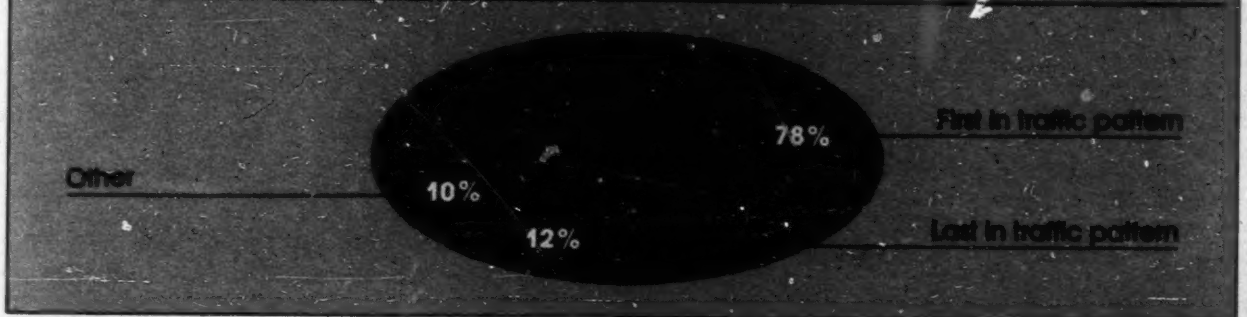
Few jewelers would recommend putting a multi-carat diamond in a setting fit for a zircon. With the same reasoning, deli planners are arranging their upgraded salad selections in ceramic crocks in European-style cases. With technology having largely cleared up early objections to European-style cases "drying up" product, they already have a five-to-four edge over traditional casing among those planning new installations. Many insist, however, that the cases must be restricted to situations appropriate to an upgraded product presentation. Several deli specialists who visited a much-publicized new U.S. hypermarket recently found the vast expanse of European style cases an inappropriate home for a lackluster and unappetizing assortment of commodity-type products.

Popularity of Display Casing Styles

% Likely to Use in Upcoming Installations	
New European-style casing	48%
Traditional casing	38
Both	14
Total	100%

The Well-Equipped Service Deli	% Stores That Have
Random weight scales	98%
Refrigerator (walk-in)	94
Freezer	82
Oven	74
Fryer	73
Stove	62
Steam table	58
Barbecue system	55
Coffee maker	46
Pressure cooker	42
Heated cabinets	38
Cold drink dispenser	36
Industrial mixer	35
Food processor	32
Hot dog grill	27

Preferred Location for Deli



BEST NEW LOOKS

Farm Fresh, Norfolk, Va.

In strongly competitive markets like Norfolk, price alone can't carry the day. Well-thought-out service departments can be a welcome ally, as proved by this deli in Farm Fresh's newest outlet. Arnold Ward Studios (Glen Cove, N.Y.), provided the deli with a strong yellow scribble-on-white-background lighted panel running across the top of the department. The warm glow of pink neon lighting draws shoppers closer.

Two challenges continue to confront the service deli and to restrain its growth: (1) raising the percent of store customers who make any purchase there, and (2) increasing the value of the average purchase among those who do stop. Only one in five customers shops the deli, spending an average of $3.40. To lure greater traffic, stores offer an average of six price promotions a week, divvied up among sliced meats, cheeses and salads. Sampling has surpassed newspaper advertising as the most popular form of promotion. While some sampling programs just let the product sit there, others involve personnel who are trained to close the sale.

How Customers Spend

Percent Who Shop the Deli	
Mean	22.4%
Median	21.6%

How Much They Spend	
Mean	$3.40
Median	$3.25
Under $2.00	13%
$2.01–$3.00	35
$3.01–$4.00	37
Over $4.00	15
Total	100%

Weekly Price Special Promotions

Average Number of Price Specials Offered Each Week	
Sliced meats	3.0
Cheeses	1.9
Salads	1.1

Advertising and Promotion Sell the Deli

% Using	
Sampling	91%
Newspapers	81
Circulars	71
Point of purchase	67
Radio	19
Television	14

Only one company in five maintains a commissary from which stores can order. Adherents of commissaries cite both economies of scale and quality control. While half of commissaries have preparation from scratch ingredients as their main function, others function mostly as conduits from foodservice suppliers to stores. Four in 10 stores prepare at least some of their deli salads from scratch, although virtually none use that method exclusively.

Commissaries

% Companies Having Company-Operated Commissary from Which Stores Order

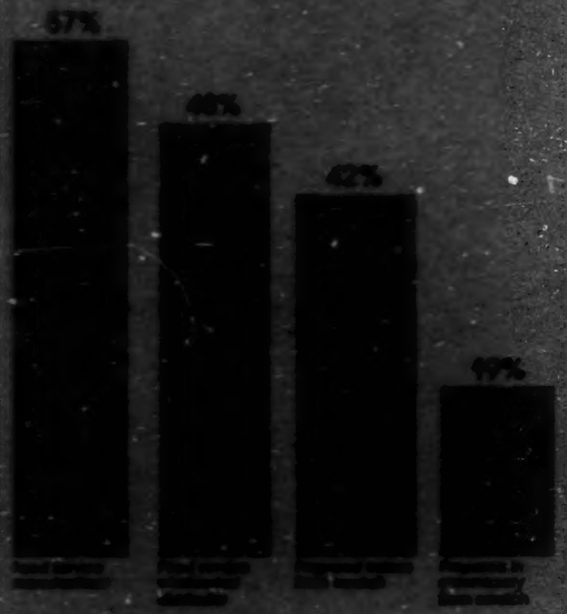
Have Commissary	18%
Do not have commissary	82
Total	100%

Main Function of Commissary

Preparation from scratch ingredients	50%
Ordering from food-service suppliers	50
Total	100%

Sources of Deli Salads

% Stores Using



Only one store in four has facilities for customers to consume their purchases from the deli on the premises. These can range from a standup counter to a well-appointed dining room.

Special area for Consuming Foods/Drinks from Deli On Premises

% Stores Offering	
Have facilities	27%
No facilities	73
Total	100%

SAMI UPDATE:

Tiny April Gain in HBA Food Store Unit Volume Offsets Tiny Loss in March

Food tonnage rates so far in 1985 have been moving on a "give a little, take a little" basis. All product departments have been pretty much in limbo. During the four weeks ending April 26, 1985, unit sales in all categories measured by SAMI fell 1.1 percent in comparison with the corresponding period a year ago. HBA unit volume staged a modest comeback from the 0.5 percent loss in March, but the gain amounted to just 0.6 percent. By department, the best performance was in the dry grocery: non-food area as a result of strong gains in several household cleaning compound and paper product categories.

Five health and beauty aids groups had four-week increases in unit volume through food stores, while three saw losses. The best performance was a 7.5 percent gain for skin care aids; first aid products performed almost as well, with a gain of 7.3 percent.

The group with the highest loss rate was oral hygiene— down 3.1 percent in four-week unit sales. The deodorant product group was ahead, but only by 2,000 units out of nearly 24 million in all eight categories combined.

Hair setting growth

At the category level, gains outpaced losses by a ratio of 28 to 22. In the preceding period, there were only 20 HBA categories showing increases, compared to 30 with losses. Still showing a dynamic growth rate, in excess of 200 percent, was hair setting needs, where hair styling mousse items continue to proliferate.

Eye care products are in high gear, and the rate of increase was 26.5 percent above the April 1984 posting. Infant clothes had a decline rate of 21.6 percent and sharp drops were registered in the high-volume cough remedies category (−11.7 percent) and in appetite supressants (−17.2 percent).

SAMI tracks four HBA categories of baby needs. In this most recent reporting period there were two with gains—nursing supplies, with an increase of 7.1 percent; and baby oils, creams & lotions, which were ahead 1.1 percent. The loss among infant clothes items hit 21.6 percent, representing a 28-day decline of 260,000 units. The four-week loss rate of 1.3 percent for baby powders is near the 12-week decline of 1.1 percent, or an annual trend of minus 1.7 percent.

In the deodorant product group, there were four categories with unit volume increases and the same number with declines. The best growth rate was 16.2 percent for foot deodorants and athlete's foot remedies. Stick deodorants/antiperspirants continued to gain share in this product group, and their four week increase in sales, amounting to 9.32 percent, was higher than the 7.9 percent for the 12 weeks or the 5.8 percent gain for the full year.

Feminine douche products were also on the upturn, ahead 9.0 percent, the highest four-week rate of gain since SAMI began to track these products.

For the first time in many months, there was an increase in the deodorant and talcum powder category. This turnaround was due in large measure to the stronger performance of Shower to Shower deodorant powder. Perhaps the most significant loss rate among deodorants was the 9.4 percent drop among sprays. The weakness of body sprays helps to account for the poor category performance. Cream deodorants continued a relentless downward journey and roll-ons again lost share to sticks.

First aid sales good

The class of first-aid antiseptics with the highest sales vitality was creams, lotions & ointments, which grew at a 23.9 percent rate. A 15.3 percent gain among adhesive bandages helped the growth rate in the first aid products category.

The focal point in the hair care needs section continues to be hair setting needs, the reporting category for hair styling mousse products. These items have not lost momentum as new brands and items expand category volume. Gains in the neighborhood of two percent were recorded for shampoo (+2.0 percent), hair dressing needs (+1.9 percent) and hair conditioning rinses (+1.7 percent).

Despite the competitive struggle in the dentifrice pump derby and the plaque reduction copy claims, unit sales of toothpaste and powder products continued on a downward path. The 6.6 percent loss rate for the four weeks translates to nearly 2.2 million units. Sales of denture adhesives dropped 3.2 percent and denture cleaners fell behind 0.2 percent.

In analysing sales performance in all 50 HBA categories that SAMI monitors, it is obvious that in recent months there have not been as many innovative new products to expand sales in their categories as was the case in recent years. Products such as dentifrice pumps, ibuprofen analgesics and segmented shampoo items have gained new converts but at the expense of existing brands. ■

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SUPERMARKET BUSINESS

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AUGUST 1985

CAN RED MEAT MAKE A COMEBACK?/KEN PARTCH, EDITOR **12**

Possibly. It depends on whether packagers, packers and retailers can think of it more as a something to be marketed rather than as a commodity. Consumers have been looking elsewhere for upscale food excitement and value. But the movement to win back red meat buyers is growing. Kroger and Nob Hill General Stores are two chains that have taken some innovative steps to meat marketing.

RICO'S BANKS ON BOOM TIMES IN MASSACHUSETTS **20**
KEVIN COUPE, ASSOCIATE EDITOR

This small chain is anticipating a vast amount of industrial and other development in its area of Massachusetts. It has embarked on vast expansion and building plans. Whether boom times will come or not remains to be seen, but Rico's isn't hedging its bets.

NONFOODS BUSINESS: **29**
PUEBLO'S XTRA: IN NONFOODS, IT'S MIAMI NICE

Pueblo's low-key approach to nonfoods in its new Miami Xtra store generates high profits—up to $1 million annually from just three percent of the store's square footage.

SOFT SALES IN HARDWARE AT SUPERMARKETS **35**
DOUG HARRIS, SENIOR EDITOR

Where hardware is concerned, "smaller is better," retailers say, in terms of product and section.

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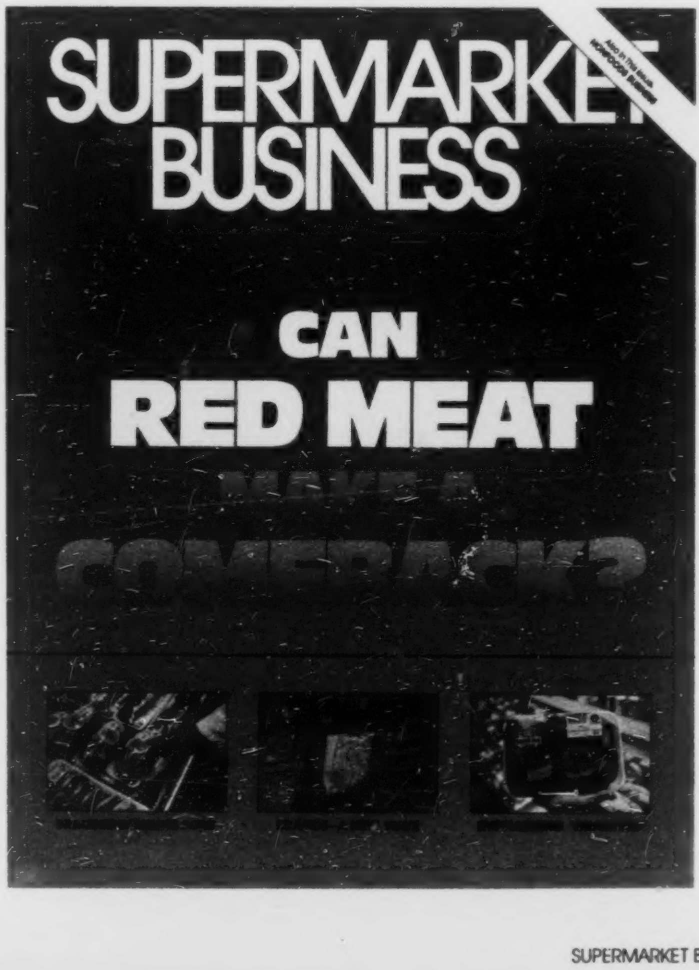

SAMI UPDATE:

BY ALAN MILLER, JR.

May Growth Rate for HBA Products Topped Only By Refrigerated Foods

Although sales of HBA products in food stores aren't going through the roof, the figures are encouraging, particularly when looked upon as a fairly broad advance, with sales increases in six out of eight product groups.

During SAMI's 28-day reporting period ending May 24, 1985, five product departments had tonnage gains. Measured in units, increases ranged from a low of just 0.1 percent in the case of frozen foods to a high of 5.5 percent for refrigerated foods.

Health and beauty aids in all 50 categories tracked by SAMI registered a combined gain of 1.8 percent, which exceeded the growth rate for dry grocery: food (+1.5 percent) or dry grocery: non-food (+1.4 percent). The HBA gain rate was three times the 0.6 percent improvement recorded in the preceding four-week period. Furthermore, the current rate of gain was on top of a 3.9 percent improvement in the corresponding period in 1984 over 1983, which in turn showed a 3.4 percent rise over the comparable 1982 period.

Sales of health and beauty aids in food stores cannot be described accurately as going "through the roof," but the trend is encouraging, particularly when looked upon as a fairly broad advance with pluses registered in six out of eight product groups and in 28 out of 50 product categories.

Four-week dollar volume in all 50 categories combined amounted to $555.3 million, an increase of 6.9 percent over the period a year ago. Here again, only refrigerated foods, with a retail dollar increase of 7.6 percent, enjoyed a higher gain rate.

Infant clothes down

Among the four baby needs HBA categories measured by SAMI, the only negative trend was for infant clothes, which has been in the doldrums for a number of months. Due in part to the strong sales performance of private label brands, baby powders enjoyed an upsurge of 8.3 percent, which nearly erased the annual loss in this category.

There was only one four-week negative trend in the hair care product group—a loss of 7.6 percent among home permanent kits. This loss rate is consistent with the ongoing trend line for these items, which have only exhibited one four-week period of gain during the past year. Growth is still taking place in the hair setting needs category as a result of a continuation of new brands and items of hair styling mousse products. The next highest rates of gain were 7.1 percent for hair coloring and 6.3 percent for hair spray. Perma Soft and Atune were two of the new brands within the year that contributed to the gain for hair spray. Clairol's Ultress in nine markets was also new within the hair coloring category.

Shampoo unit volume was 1.1 percent in the black for the four weeks compared with a loss of 1.0 percent on a 12-week basis. Volume for hair conditioning rinses is running stronger and the most recent gain rate was 4.5 percent, aided by the national roll-outs of Ivory, Lilt, Dimension, Rave, Atune and Revlon Perm. The level of sales increase in the case of hair dressing needs rose to 4.3 percent for the four weeks as opposed to a gain of only 1.8 percent for the 12 weeks and just 0.2 percent at an annual rate.

Oral hygiene

Oral hygiene categories were all on a downswing trend line except for mouthwash, which managed a gain of 2.1 percent, lower than the 12-week trend of +3.4 percent or the annual performance of +2.7 percent. The most significant loss rate was 6.5 percent for the highest volume category in the product group—toothpaste and powder.

Nursing supplies showed continued forward progress and the current gain of 8.1 percent is higher than during any other four-week period in well over a year. The gain of 1.8 percent for baby oils, creams & lotions compares with a loss of 1.0 percent on a 12-week basis or 1.2 percent for the full year.

Of the eight categories in SAMI's deodorant product group, gains and losses were split down the middle, four and four, with deodorant and talcum powder only in the loss column by a hair. All eight categories showed improved trend performance when compared with the 12-week periods. Where there were gains on a 12-week basis, there were higher increases for the four weeks and where there were 12-week losses, there were lower loss rates in May.

Stick deodorants continue to increase their share of total personal deodorant volume and their 18.5 percent this month was outpaced only by an upsurge of 132.7 percent for hair setting needs and 26.8 percent perennial favorite—eye care products.

Fading creams

Cream deodorants continue to fade in importance and their

Profitability in Pest Control

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HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 3/29/85	4 WEEKS ENDING 4/26/85	4 WEEKS ENDING 5/24/85
BABY NEEDS	**− 2.0%**	**− 0.3%**	**+ 3.4%**
Baby Powders	+ 0.7	+ 1.3	+ 8.3
Baby Oils, Creams & Lotions	− 5.9	+ 1.1	+ 1.8
Infant Clothes	− 7.7	− 21.6	− 14.0
Nursing Supplies	+ 3.7	+ 7.1	+ 8.1
DEODORANTS	**− 3.5%**	**+ 0.0%**	**+ 6.1%**
Sprays	− 11.9	− 9.4	− 1.4
Roll-Ons	− 8.9	− 5.9	− 1.7
Stick Deodorants & Pads	+ 5.8	+ 9.3	+ 18.5
Creams	− 10.9	− 11.0	− 7.2
Deodorants & Talcum Powders	− 11.1	− 1.9	± 0.0
Feminine Hygiene Deodorants	− 6.8	+ 3.8	+ 11.8
Foot Deodorants & Athlete's Foot Remedies	+ 4.8	+ 16.2	+ 11.9
Feminine Douches	+ 3.9	+ 9.0	+ 9.6
FIRST AID	**+ 2.9%**	**+ 7.3%**	**+ 6.5%**
Antiseptics	+ 6.3	+ 14.3	+ 7.2
First Aid Products	+ 2.0	+ 5.4	+ 6.3
HAIR CARE NEEDS	**+ 1.7%**	**+ 5.2%**	**+ 6.4%**
Shampoos	− 5.5	+ 2.0	+ 1.1
Hair Sprays	+ 2.4	+ 0.0	+ 6.3
Hair Conditioning Rinses	+ 6.3	+ 1.7	+ 4.5
Hair Setting Needs	+ 151.2	+ 200.3	+ 132.7
Home Permanent Kits	− 4.8	− 14.3	− 7.6
Hair Coloring	− 2.0	− 3.8	+ 7.1
Hair Dressing Needs	− 0.8	+ 1.9	+ 4.3
ORAL HYGIENE	**+ 1.8%**	**− 3.1%**	**− 4.4%**
Toothpastes & Powders	+ 1.7	− 6.6	− 6.5
Mouthwashes	+ 2.5	+ 5.4	+ 2.1
Breath Fresheners	+ 12.6	+ 10.3	− 2.7
Denture Cleaners	− 3.5	− 0.2	− 6.0
Denture Adhesives	− 2.0	− 2.2	− 3.2
Toothbrushes	+ 3.7	+ 3.0	− 0.7
PROPRIETARY REMEDIES	**− 3.5%**	**− 1.7%**	**+ 0.8%**
Antacids	− 1.2	− 3.2	+ 2.8
Internal Analgesics	− 2.3	+ 0.8	+ 4.1
External Analgesics	− 3.9	+ 8.0	− 0.5
Cold Tablets	− 3.7	+ 1.3	+ 1.9
Nasal Sprays—Drops—Inhalers	− 1.8	+ 0.8	− 2.2
Chest Rubs	− 16.4	− 13.6	− 14.2
Cough Remedies	− 9.6	− 11.7	− 11.4
Laxatives	− 1.2	− 3.2	− 2.2
Sleeping Aids	+ 12.2	+ 14.0	+ 15.0
Tranquilizers	− 30.4	− 25.2	− 29.1
Vitamins	− 9.9	− 2.4	+ 1.3
Eye Care Products	+ 21.8	+ 26.5	+ 26.8
Appetite Suppressants	− 13.3	− 17.2	− 13.5
SHAVING NEEDS	**− 2.1%**	**+ 0.4%**	**− 0.3%**
Shaving Creams	− 0.9	+ 5.1	+ 3.3
Pre-Shave Lotions	− 2.8	− 1.5	+ 5.2
After-Shave Lotions	− 6.3	− 3.2	+ 1.7
Razor Blades	− 1.8	− 0.5	− 1.8
Razors & Blades	− 14.9	− 14.3	− 9.0
SKIN CARE AIDS	**+ 7.7%**	**+ 7.5%**	**+ 3.9%**
Hand & Body Creams & Lotions	+ 3.0	+ 11.8	+ 13.6
Facial Preparations	+ 7.4	+ 6.7	+ 10.3
Lip Care Products	+ 1.2	+ 9.2	− 14.1
Suntan Lotions & Oils	+ 64.4	+ 5.6	− 10.5
Cosmetic & Medicated Skin Aids	− 0.3	+ 1.6	+ 4.0
TOTAL ALL CATEGORIES	**− 0.5%**	**+ 0.6%**	**+ 1.8%**

Vitamins moved into the plus category for the first time in a year; strong sales of private label entries helped to make the gain possible.

current loss rate was 7.2 percent compared with losses of 1.4 percent for sprays and 1.7 percent for roll-ons. Good gains were registered by feminine hygiene deodorants (+ 11.8 percent), foot deodorants and athlete's foot remedies (+ 11.9 percent) and feminine douches (+ 9.6 percent). In all of these deodorant categories combined, the four-week gain was 6.1 percent, which compares favorably with the increase of 0.8 percent on a 12-week interval basis and 1.0 percent for the full year.

Both first aid antiseptics (+ 7.2 percent) and first aid products (+ 6.3 percent) moved strongly ahead and showed combined strength (+ 6.5 percent) versus the 12-weeks (+ 5.6 percent) and 52-weeks (+ 1.8 percent).

Gains occasioned by the rolling out of Colgate's Dentaguard and the strong showing of the Colgate pump were not sufficient to wipe out the declines suffered by P&G's Crest and Gleem and unit losses for each of Lever Bros.' toothpaste and gel entries. Denture cleaners also had an increasing rate of decline with a month of May loss of 6.0 percent. New product activity has not been expanding volume in this category. Denture adhesives also was on the losing side and has run behind year ago levels (−3.2 percent) for two consecutive reporting periods. Secure has rolled out nationally in this category but recent sales performance has not kept pace with the initial achievement when national distribution was completed in July 1984. Toothbrush volume was down slightly following two periods with gains of more than three percent.

Six of the 13 proprietary remedy categories tracked by SAMI had gains, including double-digit increases amounting to 26.8 percent for eye care products and 15.0 percent for sleeping aids. There was a 4.1 percent increase for internal analgesics, by far the highest volume category in this product group. Antacids moved ahead 2.8 percent, a favorable trend in light of a 12-week loss rate of 0.6 percent.

Cold tablets remained on the plus side of the ledger for the second period in a row, but a continuation of the double-digit loss rate for cough remedies was recorded. The 2.2 percent loss for laxatives and stool softeners was identical with the 12-week trend. Vitamins moved into plus territory for the first time in a year and stronger sales of private label entries helped to make the gain possible. Weakness continues in the appetite suppressants category, most probably a result of consumers making their diet food purchases in other product categories.

Shaving needs, as a product group, are still running in arrears of the 1984 pace, but the rate of decline has been improving and is only 0.3 percent in the period under study. Gains for shaving creams (+ 3.3 percent), pre-shave lotions (+ 5.2 percent) and after shave lotions (+ 1.7 percent), are now found and the most serious decline (− 9.0 percent), is in the razors and blades category which has the lowest unit volume in the product group.

Skin off

The rate of increase among skin care needs has declined, and in the current period, four-week losses are found in two categories: lip care products (− 14.1 percent) and suntan lotion-suntan oil (− 10.5 percent). However, offsetting these losses are double-digit gains for hand & body cream lotions (+ 13.6 percent) and facial preparations (+ 10.3 percent). In the hand & body creams & lotion category, P&G's Wondra has moved into the plus column and S.C. Johnson's Curel, now national, was not on sale in the period a year ago.

New products, particularly Buf-Puf and Phisopuff, have helped to expand volume in the facial preparation category. Cosmetic & medicated skin aids enjoyed a four-week rate of gain amounting to 4.0 percent—higher than the 1.8 percent seen on a 12-week reporting basis.

All in all, the HBA picture is bullish, especially when viewed in relation to trends in all product departments except refrigerated. ■

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38th Annual
CONSUMER EXPENDITURES STUDY

**How Consumers Spend
$253.7 Billion in Grocery Stores**

Sales & Gross Profits For 600 Supermarket Products

Exclusive Breakouts On Service Delis & Bakeries

SUPERMARKET BUSINESS

VOLUME 40
NUMBER 9
SEPTEMBER 1985

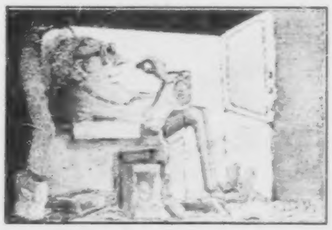
38TH ANNUAL

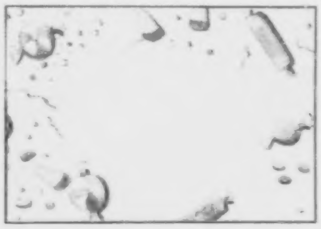
CONSUMER EXPENDITURES STUDY

It was a pretty good year for the supermarket industry in 1984, as instore bakeries and delis showed continuing strength, and as general merchandise and health & beauty aids outpaced grocery products in sales gains.

This 38th Annual Consumer Expenditures Study (CES) is by far our largest ever. The study has been revised and redesigned to make it both more useful and more easily readable.

Leading up to the statistical tables are seven pages of introductory charts and tables designed to give readers quick highlights of how various kinds of supermarkets performed last year, and notable winners and losers in supermarket sales.





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38TH ANNUAL CONSUMER EXPENDITURES STUDY

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THE YEAR'S HOTTEST DEPARTMENTS ARE HBA, GENERAL MERCHANDISE, DELIS AND INSTORES

BY NORM BUSSEL

Sales were up in the supermarket business, but while food products showed steady, if not spectacular growth, nonfoods continue to surge ahead in sales at the nation's supermarkets.

Last year the nation's economy hovered in that gray area between recession and recovery, and most economic indicators reflected this climate of uncertainty. Grocery store sales topped $253.7 billion in 1984, an increase of 5.3 percent and much better than the 4.5 percent gain of the year before. Health and beauty aids and general merchandise sales continued to pick up.

Food tonnage, which increased 3.5 percent in 1983, registered a scant 0.6 percent rise in 1984. Among products showing tonnage decreases were semimoist dog food (−15.5 percent), frostings, icings (−13.4 percent), frozen cakes and pastries (−9.7 percent), instant coffee (−8.4 percent) and sugar (−5.2 percent).

The Consumer Price Index for food at home, which reached a 16-year low of 1.1 percent in 1983, climbed to 3.7 percent in 1984. Compared to the inflation factors of recent years, the 1984 increase was modest, but it was still enough to hold "real" growth to a flat rate.

Although the nation's disposable personal income (DPI) rose 10.2 percent in 1984, the proportion of DPI spent for food at home dropped from 11.2 percent in 1983 to 10.8 percent in 1984, while the share spent for eating out went from 4.4 percent in 1983 to 4.3 in 1984.

Poultry posts best sales gain

Poultry led the list of foods showing the greatest increase in dollar sales, growing by $714.6 million and claiming 2.6 percent of store volume. Per capita consumption of poultry increased almost one percent in 1984, while beef remained constant.

Over the past several years, poultry has gained acceptance as a good source of low-fat protein and, in 1984, strong demand resulted in a 10.7 percent rise in retail prices. Because many consumers are increasingly interested in convenience, they are buying more boneless products such as breasts, thighs, patties and nuggets.

Fresh fruit and vegetables came in for large dollar increases in 1984, with a combined gain of $1.1 billion. Although total produce tonnage fell 5.3 percent, dollar sales surged ahead as late 1983 freezes in the South and Southwest caused the Consumer Price Index to leap from −4.3 percent for fresh fruit in 1983 to +11.1 percent in 1984, and fresh vegetable prices to rise from +3.6 percent to +10.9 percent.

Two service departments rang up healthy sales gains in 1984, with the instore bakery growing 12.3 percent and the service deli up 12.7 percent.

The number of supermarkets offering an instore bakery reached 54.5 percent last year, and average sales per store rose to $4,300. One indication of the product variety and sophistication of service offered by instore bakeries is the fact that 78 percent now provide custom cake decorating.

Service delis showed a net increase of 800 units last year, with

CONSUMER EXPENDITURES STUDY

The trend to leaner foods can be seen in the strong volume growth of poultry and fish. But baked goods are also on the rise.

most new departments appearing in larger, high-traffic new stores. The total number reached 16,700, or 55.7 percent of supermarkets, and average weekly sales per store were almost $6,000.

Beer for home consumption was high on the list of products with big dollar volume increases, as sales grew by more than $568 million and tonnage registered on the plus side (+1.6 percent), from a decrease (−1.3 percent) the year before.

The 5.2 percent sales increase was partly the result of flat sales in bars and restaurants. All kinds of on-premise retailers have reported reduced consumption of alcoholic beverages due to stricter enforcement of laws against drunk driving.

Cigarette sales posted a 5.1 percent increase, $476.4 million over 1983, although consumption declined about 2.1 percent. Price increases were responsible for the growth in dollars, with the CPI changing +6.6 percent. Tonnage continued its downward trend with a 1.4 percent drop, following a 4.1 percent decline in 1983.

Pork slips most in dollar sales

Fresh pork headed the list of items showing dollar sales decreases, declining $94.3 million on a CPI change of −1.3 percent and a 2.6 percent decrease in per capita consumption. Other pork products showing substantial decreases: packaged bacon (−2.7 percent), other sausage products (−2.2 percent) and cured ham and picnics (−2.2 percent).

Sugar also posted a decrease in sales, dropping more than $60 million in 1984 as depressed prices held the CPI to +1.7 percent, compared with +3.7 percent in 1983, and per capita consumption dropped by 5.3 percent as weight-conscious consumers cut back on calories.

Greeting cards lead GM gainers

Greeting cards surpassed all other GM products in 1984 with a solid 17.5 percent increase, moving up from fifth place in the prior year. Other products showing impressive growth were: records and tapes (+13.5 percent), batteries (+10.7 percent), panty hose (+9.7 percent) and film (+9.2 percent).

Magazines and newspapers again headed the list of greatest GM dollar sales increases, gaining $70.5 million, 20.5 percent of the total rise in GM sales. Women's hosiery followed with a $63 million growth in sales, or 18.4 percent of total gain, and photo supplies and processing were third with $56 million and 16.4 percent of the category's increases.

GM products showing sales decreases included: flash bulbs and cubes (−16.2 percent), antifreeze (−9.3 percent), garden seeds (−6.7 percent) and motor oil (−6.6 percent).

HBA leaders in dollar volume in 1984 were: internal analgesics ($789.8 million), shampoo ($727.6 million), infant formulas ($694.3 million) and toothpaste ($644.8 million).

Among HBA products that lost ground: color shampoo (−14.2 percent), baby pants (−13.6 percent), disposable bottle liners (−5.4 percent) and effervescent antacids (−5.3 percent).

Fitness, food and the future

America's obsession with health will probably have a greater effect than any other single factor on the future mix of supermarket products. Now standing at about 10 percent of total food store sales, diet foods are growing steadily.

More and more, the nation's consumers are becoming educated label readers. In the next decade, the public's growing awareness of diet's role in disease prevention will bring many new products to grocery store shelves, and the average supermarket manager may know more about nutrition than the average doctor does today.

METHODOLOGY

As it has been for the past 38 years, this issue of SUPERMARKET BUSINESS's Consumer Expenditures Study is a product of consensus rather than census. Our "staff of correspondents," a veritable "Who's Who" in the grocery industry, is comprised of leading manufacturers, packers, importers, bottlers, trade associations, marketing and management companies, advertising agencies and, of course, major chains and wholesalers.

Respondents to our questionnaires were supplied with sales estimates from the 37th Annual CES (1983) for the product lines in which they specialize. We asked them to indicate the percent change in retail sales for their products in all outlets and through grocery stores alone. They also had the option to adjust previous sales figures according to their knowledge of the market.

Whenever the estimates of our respondents differed significantly, they were questioned further until the reasons for the variations were resolved. The differences were usually the result of problems with definition or interpretation of questions. After adjustments were made, the reported percent changes were averaged and applied against our 1983 figures, giving us estimates for 1984.

Other sources we wish to acknowledge for their contributions to the study include: U.S. Department of Commerce, U.S. Department of Agriculture, U.S. Bureau of Labor Statistics, Census of Manufacturers and USDA Foreign Agricultural Service.

OUR DEFINITIONS OF GROCERY STORES

Definitions: Some of the following terms are referred to in this report. To assist interpretations of our findings, they are listed below:

Supermarket: Complete, full-line self-service food markets, with a minimum volume of $2 million per year.

Superette: Self-service or service food store handling groceries, meats and produce, with annual sales of $1 million to $2 million.

Convenience Store: Bantam or small food stores, usually open extended hours and selling a limited line of fast-moving items.

All Other Food Stores: Small (less than $1 million annual sales) general food stores and specialty food stores whose major line may be meat, dairy, produce or general groceries, or food stores not classified above.

Chain: An operator of four or more food retailing stores, regardless of individual dollar volume.

CONSUMER EXPENDITURES STUDY

EARLY '80s TRENDS TAKING FIRM HOLD

BY KEN PARTCH, EDITOR

Trends begun a few years ago in the food business are now taking firm shape, as big stores, super warehouse stores, specialty food stores and luxury stores all continue to grow and find their niche in the marketplace.

New directions that began several years ago in food and grocery stores, as well as in the products they sell, are beginning to take firm shape, according to the 38th Consumer Expenditures Study, which appears on the following pages.

Big stores, super warehouse stores, super upscale stores, smaller luxury stores and specialty food stores are all continuing to grow in number and to find a niche in the marketplace.

Indeed, the only grocery stores that continue to diminish in terms of share of market are those with less than $1 million in annual sales, and the $1 million to $2 million volume stores that no longer qualify under the definition of "supermarket." While supermarkets with annual sales of $2 million or more now do 71.5 percent of the business, speciality food stores increased their share by 17.3 percent, and convenience stores increased share by 14.3 percent.

Greater variety to consumers

Bigger stores imply that much greater variety can be offered to consumers, and this has been the secondary trend that is accelerating in the retail grocery industry. Not only are there more different kinds of stores, each serving its own group of customers (or segments), so too more and more stores can be more things to more than one group or segment of the marketplace.

The growth of instore bakeries and delis, service departments and salad bars, snack bars and sit-down food service areas, pharmacies and bookstores, attests to the ever-widening scope of the nation's supermarkets.

The growth in store size permits the supermarket to truly live up to its name. The produce department can offer variety and quality never before thought possible. Fruit-ripening sections are increasing. Exotic and imported produce is labeled, and preparation and use is explained and suggested in ads and in the store. Experimentation is encouraged.

The need for over-standardization, and over-limitation is no longer present. Super warehouse stores have learned that low-priced grocery departments do not indicate low-quality perishables.

Over-segmentation

On the other hand, the increased desire to offer greater variety might be encouraging the proliferation and over-segmentation in many product areas. Thirty or more different sizes, kinds and brands of mustard, for example, can be difficult to justify.

The growth of frozen foods through totally new product categories, such as high-quality diet entrees, novelty foods, certain baked items, and breakfast items, implies larger freezer cases that only larger stores can offer. The same thing is true of the growth of refrigerated foods. These items, too, are associated intimately with changing lifestyles and the need for more and more convenience—the convenience that is offered by microwave ovens and the products designed for them.

A quick glance at the so-called dairy department reveals whole new categories of growth as well as the seemingly unlimited potential of products such as yogurt, with a 10.8 percent increase. Refrigerated fruit juices appear to be setting their own pattern of skyrocketing growth.

While many traditional dairy items show only predictable growth patterns or actual flatness, fresh eggs are enjoying new-found energy with an increase of 11.2 percent. Eggs have apparently been able to survive the onslaught of poor health notices of recent years. Butter, on the other hand, is down, while sales of fresh milk remain about the same.

The impact of nutrition

The impact of the concern over health, nutrition and diet can be found in almost every food category, from canned foods to snacks and soft drinks. But the overall diet of Americans is far from one of austere sensibleness, and lack of eating for fun's sake. Beer, soft drinks, candy and gum are doing very well, thank you. Low-calorie foods and drinks are OK, but interest in decaffeinated products is largely in ground coffee, and now tea, and may have plateaued.

And just to prove the continuing contrast in food and drink habits in America, bottled water is also increasing in sales at a healthy rate, but this may be a comment on other aspects of our complex society.

The depth and breadth of the annual Consumer Expenditures Study is too great to be totally reviewed here, but certain highlights can be explored. Americans seem not to have changed too importantly in many ways, although there is plenty of truth in the much-discussed interest in lower calorie foods, healthier foods and natural foods. And while there is a decline in the use of lard and shortening, for example, there is a sizeable increase in the general use of fats and oils, largely vegetable oils and olive oil for cooking and salads.

New bursts of growth

Similarly, while there is great interest and growth in products that offer low calories in everything from salad dressing to beer, canned fruit and iced tea mix, low sodium packs and diet sweeteners, the once moribund metered calorie diet foods have found a new burst of growth through a new product.

Almost every generality, it seems, that can be made about the grocery department can be challenged through a closer look. Canned goods, for example, show no gains in general, but within the categories, canned prepared foods, such as Mexican, Oriental and canned pasta are doing well. And then, of course, it should always be remembered that the canned foods industry, which includes the growing category of canned soups, is a tremendous one, representing an enormous dollar volume to supermarkets, some $11 billion annually.

Some of the CES statistics are not easily explained. Pasta in all its forms is growing at a modest 2.3 percent, but spaghetti sauce is growing at a rate of about 12 percent. Either people are using more sauce on less pasta, or they are certainly not making their own sauce.

Less is more

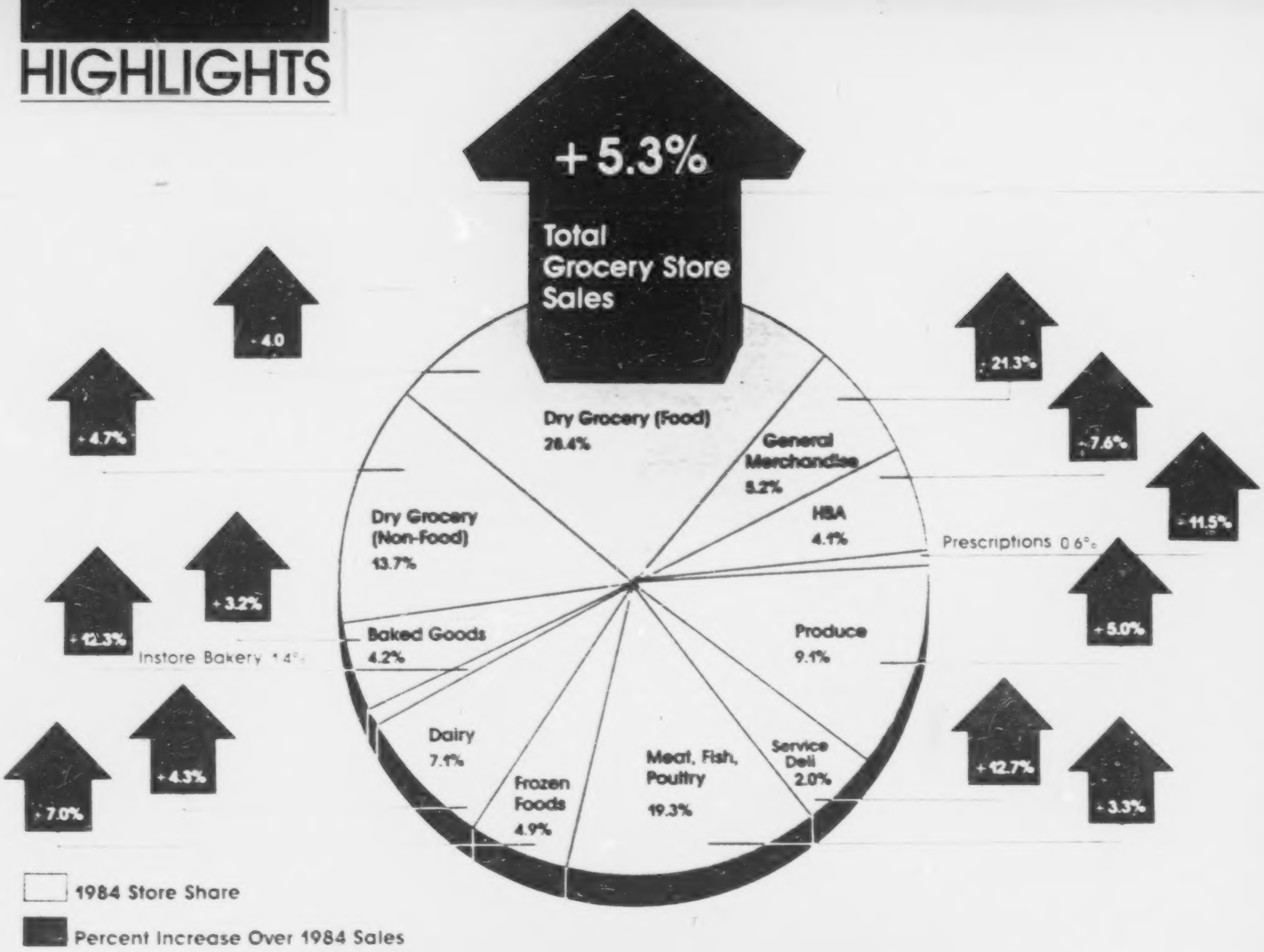
The story of fresh meat and seafood continues to be one of less red meat, beef and pork, and more poultry and seafood, even with prices of red meat declining.

Positive proof that the U.S. emerged from the economic recession in 1984 can be found in the lackluster performance of peanut butter and its associates in the jams, jellies and preserves category. When the U.S. goes into recession, consumers shift from high-cost protein to low-cost protein—thus the peanut butter phenomenon. And, as Selling Areas Marketing Inc.'s Alan Miller points out, as the U.S. moves from recession to prosperity, sales of private labels and generics decline in favor of brands.

Sales of general merchandise and health and beauty aids showed impressive gains in 1984. While general merchandise grew at a 21.3 percent rate, HBA gained 7.6 percent. With average gross margins of 37.4

Continued on page 226

HIGHLIGHTS



Significant in the rise of sales at grocery stores (as seen in the pie chart above), is the growing presence of the instore bakery and the service deli. Instore bakeries now account for about a quarter of all baked goods sales. Health & beauty aids and general merchandise are shaping up as increasingly strong and growing categories for supermarkets.

WEEKLY SPENDING IN GROCERY STORES REACHES $56.67 PER HOUSEHOLD, $20.58 PER CAPITA

	1983		1984	
POPULATION	234.7 million		237.1 million	
HOUSEHOLDS	87.1 million		86.1 million	
	ANNUAL	WEEK	ANNUAL	WEEK
PERISHABLES				
Per capita	$ 497.07	$ 9.56	$ 513.57	$ 9.88
Per household	$1,339.41	$25.76	$1,414.25	$27.22
DRY GROCERY (FOOD)				
Per capita	$ 294.97	$ 5.67	$ 303.76	$ 5.84
Per household	$ 794.84	$15.29	$ 836.48	$16.09
TOTAL FOODS				
Per capita	$ 792.05	$15.23	$ 817.33	$15.72
Per household	$2,134.25	$41.04	$2,250.73	$43.29
DRY GROCERY (NON-FOOD)				
Per capita	$ 141.15	$ 2.71	$ 146.30	$ 2.81
Per household	$ 380.34	$ 7.31	$ 402.87	$ 7.75
GENERAL MERCHANDISE/HBA				
Per capita	$ 93.73	$ 1.80	$ 106.40	$ 2.05
Per household	$ 252.58	$ 4.86	$ 293.02	$ 5.64
GRAND TOTAL				
Per capita	$1,026.93	$19.75	$1,070.03	$20.58
Per household	$2,767.17	$53.21	$2,946.62	$56.67

NOTE: Population and household data from U.S. Bureau of the Census. Includes one-person households. Excludes armed forces overseas.

While it is hard to find significant shifts in buying patterns from year to year, over a longer time buying trends begin to emerge. For instance, over 20 years, the percent of total grocery store sales accounted for by nonfoods has increased 24.9 percent. Sales of nonfoods in 1984 accounted for 23.6 percent of total sales at grocery stores, compared with 18.9 percent in 1964.

The average household is combining a taste for leaner foods, such as poultry, with a growing sweet tooth. Fresh fish and poultry showed marked increases in volume, with only modest price rises. Baked goods on the whole and those purchased from the instore bakery are thriving. People are probably indulging their sweet tooth on the one hand and watching their caloric intake in other ways. Other notable increases: canned soups, continuing to be popular, and beer.

HOW AN AVERAGE HOUSEHOLD DOLES OUT ITS DOLLARS IN GROCERY STORES EACH WEEK

	1984	1983	CHANGE
PERISHABLES			
Baked goods	$ 2.37	$ 2.27	+ 4.4%
Dairy	4.00	3.79	+ 5.5
Frozen foods	2.75	2.54	+ 8.3
Fresh meat and provisions	8.95	8.80	+ 1.7
Fresh fish	.55	.49	+ 12.2
Fresh poultry	1.45	1.27	+ 14.2
Produce	5.17	4.86	+ 6.4
Instore bakery	.82	.72	+ 13.9
Instore deli	1.16	1.01	+ 14.9
Total	**$27.22**	**$25.75**	**+ 5.7**
DRY GROCERY (FOOD)			
Beer	$ 2.57	$ 2.41	+ 6.6
Wine and liquor	.53	.51	+ 3.9
Baby food	.35	.33	+ 6.1
Cereal and rice	1.16	1.04	+ 11.5
Candy and chewing gum	.67	.61	+ 9.8
Canned foods			
Fruits	.33	.33	—
Juices and drinks	.63	.59	+ 6.8
Meat and poultry	.35	.33	+ 6.1
Milk	.09	.09	—
Seafood	.40	.40	—
Soups	.34	.31	+ 9.7
Vegetables	.65	.65	—
Coffee and tea	1.29	1.24	+ 4.0
Dried foods	.48	.49	− 2.1
Jams, jellies and preserves	.41	.41	—
Macaroni, spaghetti, noodles	.19	.19	—
Desserts	.12	.12	—
Soft drinks	1.45	1.34	+ 8.2
Sugar	.36	.37	− 2.8
Misc.	3.69	3.53	+ 4.5
Total	**$16.06**	**$15.29**	**+ 5.0**
Total Foods	**$43.28**	**$41.04**	**+ 5.5**
DRY GROCERY (NON-FOOD)			
Paper goods	$ 1.92	$ 1.78	+ 7.9
Soaps, detergents	1.16	1.12	+ 3.6
Other household supplies	.27	.26	+ 3.8
Pet foods	1.18	1.12	+ 5.4
Tobacco products	2.32	2.06	+ 12.6
Misc.	.90	.97	− 7.8
Total	**$ 7.75**	**$ 7.31**	**+ 6.0**
GENERAL MERCHANDISE/HBA			
Health and beauty aids (non-Rx)	$ 2.31	$ 2.12	+ 9.0
Prescriptions	.35	.31	+ 12.9
Housewares	.75	.71	+ 5.6
All other general merchandise	2.23	1.72	+ 29.7
Total	**$ 5.64**	**$ 4.86**	**+ 16.0**
GRAND TOTAL	**$56.67**	**$53.21**	**+ 6.5**

CATEGORIES THAT INCREASED IN SALES IN 1984

LARGEST PERCENTAGE INCREASES IN DOLLAR SALES

RANK	CATEGORY	1984 GROCERY STORE SALES (000)	% INCREASE	% OF STORE VOLUME
1	Metered Calorie Meals	108,171	35.3	.04
2	Packaged Unpopped Popcorn	284,239	34.8	.11
3	Other Frozen Breakfast Entrees	84,708	27.9	.03
4	Frozen French Toast, Pancakes	38,035	24.5	.01
5	Liquid Soaps	113,128	23.8	.04
6	Bottled Water	209,532	22.9	.08
7	Waveset Preparations	8,073	22.5	*
8	Diet Supplements	62,974	21.9	.02
9	Synthetic Sweeteners	217,069	21.2	.09
10	Frozen Breads & Rolls	241,655	21.1	.10

*Less than .005%

LARGEST VOLUME INCREASES IN DOLLAR SALES

RANK	CATEGORY	DOLLAR SALES INCREASE (000)	% INCREASE	% OF STORE VOLUME
1	Fresh Poultry	714,580	12.4	2.55
2	Fresh Vegetables	665,837	5.1	5.42
3	Service Deli	583,910	12.7	2.04
4	Beer	568,195	5.2	4.53
5	Cigarettes	476,405	5.1	3.87
6	Fresh Fruit	435,764	4.9	3.70
7	In-Store Bakery	398,720	12.3	1.44
8	Cold Cereals	379,658	11.2	1.49
9	Beef	295,023	1.4	8.42
10	Fresh Fish and Seafood	212,171	9.5	.96
11	Frozen Dinners	211,839	17.6	.56
12	Regular Coffee	184,319	5.9	1.30
13	Disposable Diapers	174,091	9.9	.76
14	Chilled Orange Juice	166,126	14.4	.52
15	Prescriptions	162,665	11.5	.62
16	Eggs (Shell)	153,180	11.2	.60
17	Crackers, Cookies, Biscuits	143,805	3.8	1.55
18	Packaged Cold Cuts	137,172	4.4	1.28
19	Yogurt	130,108	10.8	.53
20	Frozen Poultry	127,840	8.8	.62

HOW TONNAGE CHANGED FOR SOME PRODUCTS THAT LED IN DOLLAR SALES INCREASES

CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Fresh Poultry	+ 12.4%	+ 10.6%	+ 1.6%
Beer	+ 5.2	+ 3.5	+ 1.6
Cold Cereals	+ 11.2	+ 5.5	+ 5.4
Cigarettes	+ 5.1	+ 6.6	− 1.4
Fresh Fish & Seafood	+ 9.5	+ 6.2	+ 3.1
Frozen Dinners	+ 17.6	+ 3.7	+ 13.4
Regular Coffee	+ 5.9	+ 3.6	+ 2.2
Disposable Diapers & Liners	+ 9.9	+ 2.9	+ 6.8
Chilled Orange Juice	+ 14.4	+ 5.4	+ 8.5
Yogurt	+ 10.8	+ 2.8	+ 7.8
Canned Soup	+ 8.3	+ 3.1	+ 5.0
Prescriptions	+ 11.5	+ 9.6	+ 1.7

*Based on BLS Consumer Price Index

CATEGORIES THAT DECREASED IN SALES IN 1984

LARGEST PERCENTAGE DECREASES IN DOLLAR SALES

RANK	CATEGORY	1984 GROCERY STORE SALES (000)	% DECREASE	% OF STORE VOLUME
1	Dry Toppings	17,202	− 17.3	.01
2	Flash Bulbs & Cubes	43,149	− 16.2	.02
3	Dry Starch	2,904	− 14.6	*
4	Color Shampoo	3,501	− 14.2	*
5	Baby Pants	14,844	− 13.6	.01
6	Semi-Moist Dog Food	206,482	− 12.7	.08
7	Frostings, Icings, Fudge Mixes	232,811	− 11.1	.09
8	Dried Apricots	19,049	− 10.4	.01
9	Antifreeze	88,550	− 9.3	.03
10	Honey	146,823	− 8.8	.06

*Less than .006%

LARGEST VOLUME DECREASES IN DOLLAR SALES

RANK	CATEGORY	DOLLAR SALES DECREASE (000)	% DECREASE	% OF STORE VOLUME
1	Fresh Pork	94,289	− 2.4	1.51
2	Instant Coffee	74,272	− 4.6	.61
3	Other Sausage Products	62,373	− 2.2	1.09
4	Packaged Bacon	61,838	− 2.7	.88
5	Sugar	60,102	− 3.6	.64
6	Cured Ham & Picnics	50,339	− 2.2	88
7	Fresh Lettuce	43,386	− 2.9	.57
8	Other Canned Meats	32,345	− 3.4	.36
9	Semi-Moist Dog Food	30,038	− 12.7	.08
10	Frostings, Icings, Fudge Mixes	29,069	− 11.1	.09

HOW TONNAGE CHANGED FOR SOME PRODUCTS THAT LED IN DOLLAR SALES DECREASES

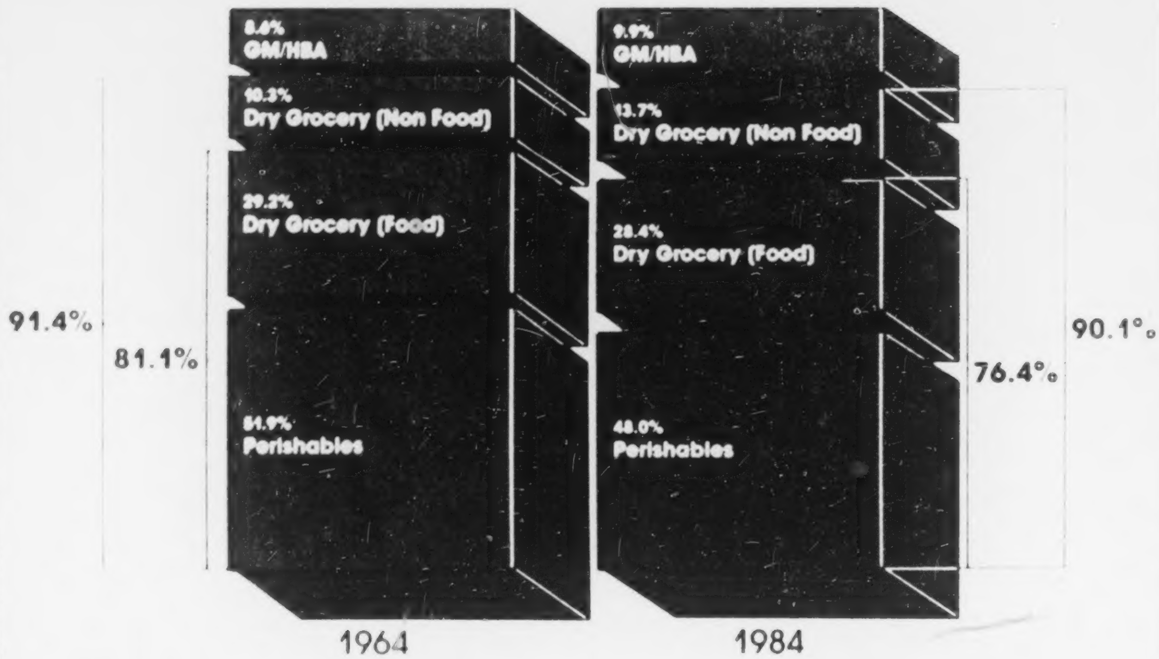
CATEGORY	DOLLAR SALES	RETAIL PRICE*	TONNAGE
Fresh Pork	− 2.4%	− 1.3%	− 1.1%
Instant Coffee	− 4.6	+ 4.2	− 8.4
Packaged Bacon	− 2.7	− 2.1	− 0.6
Sugar	− 3.6	+ 1.7	− 5.2
Semi-Moist Dog Food	− 12.7	+ 3.3	− 15.5
Frostings, Icings, Fudge Mixes	− 11.1	+ 2.6	− 13.4
Butter	− 2.2	+ 2.4	− 4.5
Peanut Butter	− 2.2	+ 2.6	− 4.7
Frozen Cakes & Pastries	− 4.8	+ 5.4	− 9.7
Dried Beans & Peas	− 6.4	+ 5.1	− 10.9

*Based on BLS Consumer Price Index

Among the more surprising items with large percentage increase in dollar sales are metered calorie meals, with a whopping increase of 35.3 percent, and only a tiny portion of store volume. As these meals cost a bit, however, this proves that Americans want to lose weight. They also want to avoid red meat: note how poultry leads the category of largest volume increase in dollar sales. On the flip side, fresh pork tops the list of largest volume decreases in dollar sales.

HIGHLIGHTS

SOME SIGNIFICANT SHIFTS OVER 20 YEARS



As more people buy general merchandise and health & beauty aids at the supermarket, this has cut into the share of total sales that dry grocery food products and perishables account for. Although individual segments in perishables have shown growth, notably the instore bakery, service deli and fish and meat departments, (this last because of poultry) on the whole, nonfoods have outpaced perishables.

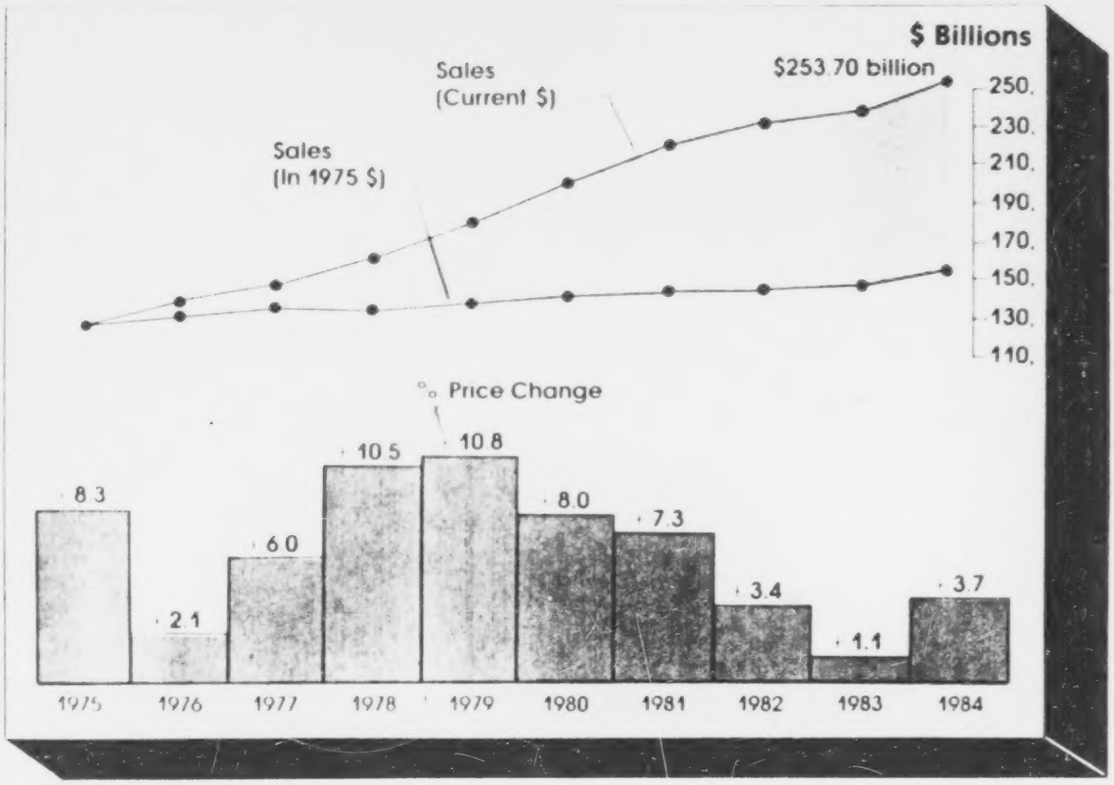
A 15-YEAR PERSPECTIVE ON HOW FOOD PRODUCTS SELL IN GROCERY STORES

	1969	1974	1979	1984
PERISHABLES ($ millions)	**$37,196**	**$59,114**	**$ 91,989**	**$121,767**
Baked goods	8.57%	7.44%	7.86%	7.37%
Dairy	8.28	8.29	9.82	9.24
Frozen foods	6.43	6.42	6.07	6.35
Fresh meat, fish, poultry	29.15	27.92	29.13	27.94
Produce	12.84	13.69	13.62	11.94
Total	65.27%	63.76%	66.50%	62.84%
DRY GROCERY ($ millions)	**19,791**	**33,599**	**46,328**	**72,021**
Baking needs	.05%	.04%	.04%	2.25%*
Alcoholic beverages	6.35	6.41	6.60	7.16
Prepared beverages	3.70	3.82	4.73	3.85
Soft drinks	2.87	3.22	3.18	3.35
Confectionery	1.41	1.31	1.37	1.54
Canned foods	8.95	8.06	7.40	7.97
Cereals, macaroni, flour	3.42	3.56	3.32	2.90*
Condiments, dressings	2.18	2.20	2.13	2.67
Desserts	.26	.21	.18	.29
Dried foods	1.40	1.54	1.51	1.34
Fats and shortenings	1.69	2.18	.89	.83
Jams, jellies and preserves	.48	.47	.46	.94
Sweeteners, flavors	1.35	2.13	1.23	1.16
All other foods	.62	1.09	.46	.91
Total	34.73%	36.24%	33.50%	37.16%
TOTAL FOODS ($ millions)	**56,987**	**92,713**	**138,317**	**193,788**
	100.0%	100.0%	100.0%	100.0%

*Includes flour **Excludes flour

HIGHLIGHTS

LITTLE REAL SALES GROWTH SEEN



From a 1975 base of $129.2 billion, sales almost doubled to $253.7 billion in 1984. After making allowances for a 66.8 percent increase in prices over that period, however, the real—or tonnage—increase was only 17.7 percent, leaving scant per capita growth over population increase.

FOOD STORE SALES—BY STORE VOLUME

	SALES (000)		PERCENT OF VOLUME	
	1983	1984	1983	1984
SUPERMARKETS over $2 million	$182,783,560	$193,105,521	71.7%	71.5%
SUPERETTES $1 million to $2 million	$ 15,199,400	$ 14,975,148	6.0	5.6
OTHER GROCERY STORES under $1 million*	$ 43,037,040	$ 45,623,331	16.9	16.9
Total Grocery Stores	$241,020,000	$253,704,000	94.6	94.0
Specialty Food Stores**	$ 13,858,000	$ 16,255,000	5.4	6.0
TOTAL FOOD STORES	$254,878,000	$269,959,000	100.0%	100.0%

*Includes convenience stores and other small grocery stores.

**Includes meat, seafood, fruit and vegetable markets, confectionery, bakery, dairy and other food stores.

There was little change in supermarket share last year. Specialty stores, however, show increased vitality.

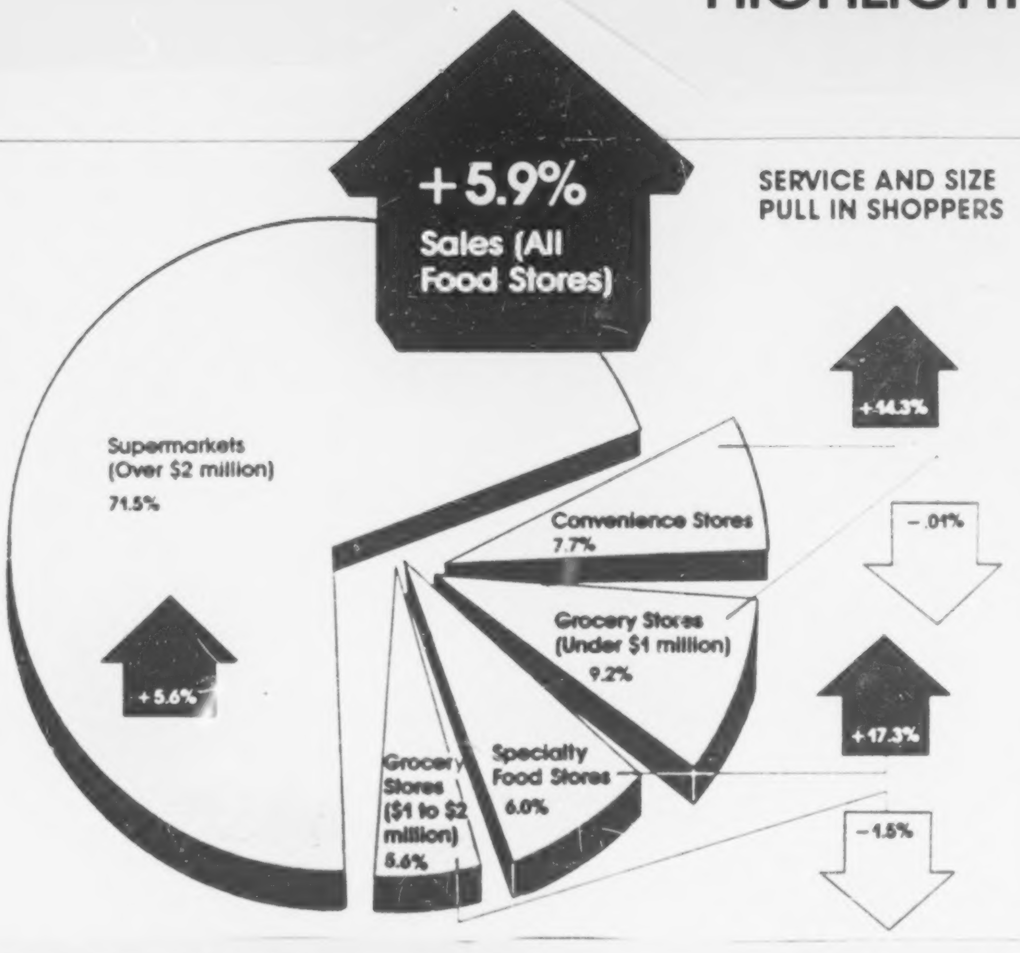
FOOD STORE SALES—BY AFFILIATION

	SALES (000)		PERCENT OF VOLUME	
	1983	1984	1983	1984
Independent Grocery Stores	$ 85,439,264	$ 89,877,485	33.6%	33.3%
Chain Grocery Stores	$155,580,736	$163,826,515	61.0	60.7
Total Grocery Stores	$241,020,000	$253,704,000	94.6	94.0
Specialty Food Stores	$ 13,858,000	$ 16,255,000	5.4	6.0
TOTAL FOOD STORES	$254,878,000	$269,959,000	100.0%	100.0%

The percent of volume realized by chain and independent stores remained constant, as it has for over a decade.

HIGHLIGHTS

SERVICE AND SIZE PULL IN SHOPPERS



Supermarkets continue to dominate the marketplace, partly thanks to the continuing and still growing strength of the super store and super warehouse store. Sales at convenience stores and specialty food stores, however, are increasing more rapidly. Declines are seen both in grocery stores with sales of under $1 million and those with sales of $1 to $2 million.

THE YEAR SUPERMARKET PRICES LEVELED OFF

*Source: Bureau of Labor Statistics, Consumer Price Index

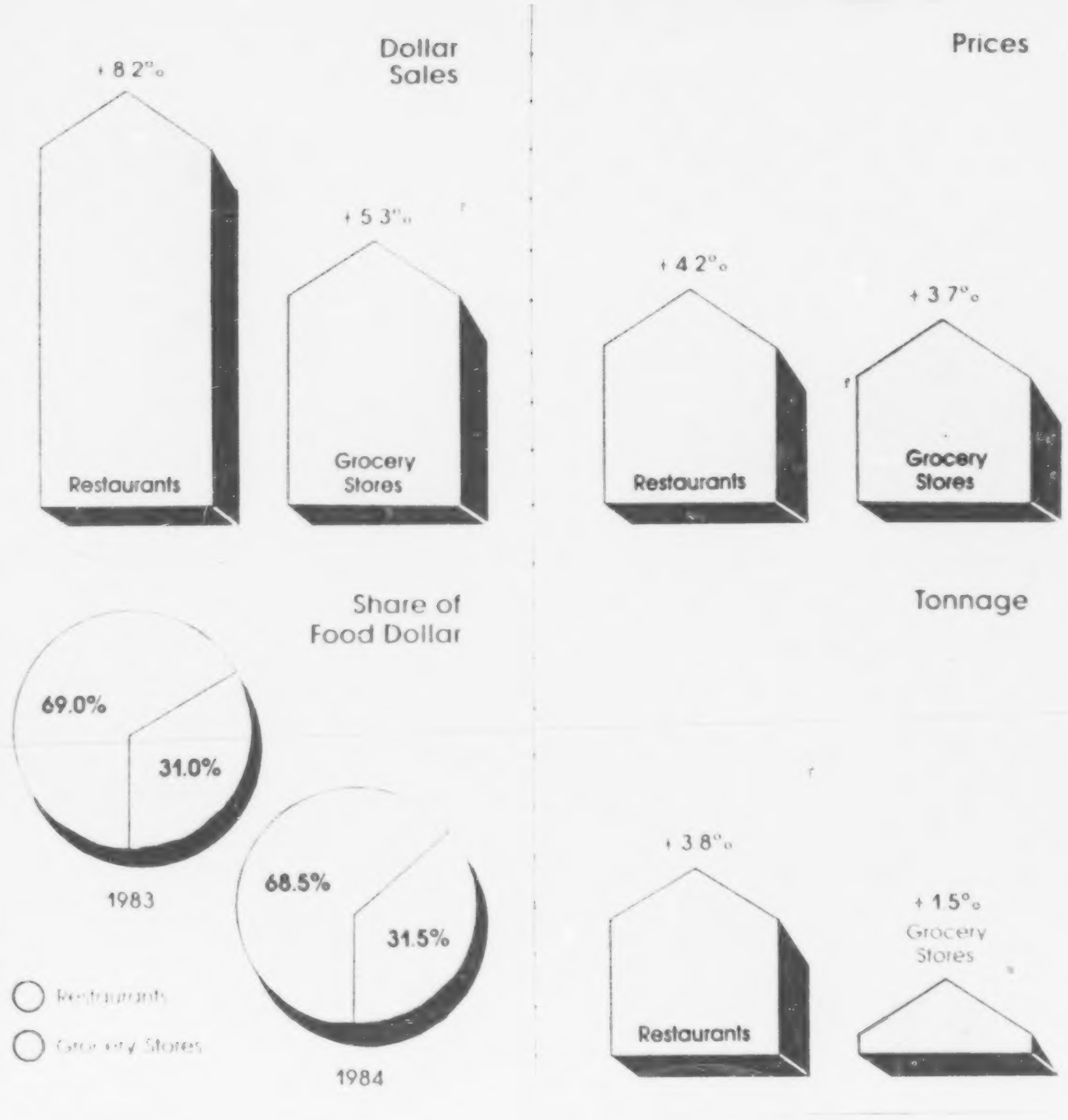
	Percent Change 1984	Percent Change 1983
FOOD	+ 3.8	+ 2.1
Food Away From Home	+ 4.2	+ 4.4
Food at Home	+ 3.7	+ 1.1
Food and Beverages	+ 3.8	+ 2.2
CEREALS & BAKERY	+ 4.4	+ 3.2
Bread, white	+ 3.3	+ 3.3
Other bread	+ 3.4	+ 2.7
Cookies	+ 6.1	+ 3.7
Cakes, cupcakes	+ 5.3	+ 4.2
Flour, prepared mixes	+ 2.6	+ 0.6
FRESH BEEF & VEAL	+ 1.2	− 1.8
Sirloin steak	+ 2.7	− 0.2
Hamburger	− 1.0	− 2.6
Chuck roast	+ 0.9	− 3.1
PORK	− 1.3	− 0.9
Chops	+ 0.3	− 0.8
Bacon	− 2.1	− 2.1
Sausage	− 1.0	− 0.3
Canned ham	− 4.6	+ 2.2
OTHER MEATS	—	—
Frankfurters	± 0.0	− 0.9
Bologna, liverwurst, salami	+ 0.4	+ 0.4
Beef & veal	+ 1.2	− 1.5
POULTRY	+ 10.6	+ 1.2
Fresh whole chicken	+ 13.2	+ 1.6
Fresh & frozen chicken parts	+ 12.2	+ 1.8
Other poultry	+ 5.0	− 0.1
FISH & SEAFOOD	+ 3.2	+ 1.2
Canned fish	− 2.3	− 2.6
Fresh & frozen fish and seafood	+ 6.2	+ 3.3
DAIRY PRODUCTS	+ 1.3	+ 1.2
Fresh whole milk	+ 0.8	− 0.7
Butter	+ 2.4	+ 1.2
Eggs	+ 11.7	+ 4.7
Cheese	+ 1.1	+ 1.7
Ice cream & related products	+ 2.7	+ 1.9
Other dairy products	+ 2.8	+ 3.0
FRESH FRUITS & VEGETABLES	+ 11.0	− 0.3
Apples	+ 12.7	− 4.2
Bananas	− 7.6	+ 10.3
Oranges	+ 35.3	− 20.4
Potatoes	+ 27.0	− 1.5
Lettuce	− 6.9	+ 2.5
Tomatoes	+ 4.9	+ 7.7
PROCESSED FRUITS	+ 7.2	+ 1.8
Frozen fruit & fruit juices	+ 13.4	− 1.7
Other fruit juices	+ 5.4	+ 2.1
Canned & dried fruits	+ 4.3	+ 3.4
PROCESSED VEGETABLES	+ 4.7	+ 0.4
Frozen vegetables	+ 2.9	+ 4.0
Cut corn & canned beans except lima	+ 6.1	± 0.0
Other canned & dried vegetables	+ 5.1	− 1.3
SUGAR & SWEETS	+ 3.9	+ 1.9
Candy & chewing gum	+ 5.4	+ 0.8
Sugar & artificial sweeteners	+ 1.7	+ 3.6
Other sweets	+ 3.6	+ 2.1
FATS & OILS	+ 9.5	+ 1.3
Margarine	+ 10.5	+ 1.0
Other fats, oils & salad dressings	+ 11.9	+ 3.5
Non-dairy substitutes & peanut butter	+ 2.6	− 2.5
BEVERAGES	+ 2.5	+ 1.9
Cola drinks except diet cola	+ 1.3	+ 2.5
Carbonated drinks including diet cola	+ 2.0	+ 2.4
Other non-carbonated drinks	+ 4.3	+ 1.5
Roasted coffee	+ 3.6	− 1.4
Freeze-dried instant coffee	+ 4.2	+ 2.0
ALCOHOLIC BEVERAGES	+ 2.6	+ 3.8
Beer & ale	+ 3.5	+ 5.8
Whiskey	+ 1.2	+ 2.2
Wine	− 1.3	+ 0.1
OTHER PREPARED FOODS	+ 3.0	+ 3.1
Canned, packaged soup	+ 3.1	+ 3.4
Frozen prepared foods	+ 4.7	+ 4.3
Snacks	+ 4.0	+ 3.6
Seasonings, olives, pickles, relish	+ 2.7	+ 3.8
HOUSEKEEPING SUPPLIES	+ 2.4	+ 3.3
Soaps & detergents	+ 1.7	+ 4.7
Other laundry, cleaning products	+ 2.7	+ 4.6
Paper towels, napkins, tissues	+ 2.9	+ 1.0
TOBACCO PRODUCTS	+ 6.5	+ 19.5
Cigarettes	+ 6.6	+ 20.8
Other tobacco products & accessories	+ 5.6	+ 6.8
HEALTH & BEAUTY AIDS	—	—
Prescriptions	+ 9.6	+ 10.9
Hair products	+ 2.6	+ 5.5
Dental & shaving products	+ 3.6	+ 7.1
Cosmetic, bath & nail products, manicure & eye makeup implements	+ 3.8	+ 6.1
Other toilet goods	+ 3.7	+ 4.9
GENERAL MERCHANDISE	—	—
Newspapers	+ 3.9	+ 6.7
Stationery & supplies	+ 2.6	+ 4.4
Magazines, books	+ 2.5	+ 7.8
Photo supplies	+ 1.8	+ 1.6
Motor oil, coolant & other products	− 1.5	− 3.3

—Not available

HIGHLIGHTS

DINING OUT KEEPS AHEAD OF EATING AT HOME

In this fast-paced society, the convenience of dining out has kept dollar sales growth at restaurants climbing fater than at grocery stores. The difference in the price increases between the two segments are not great.



RANKING OF RETAIL SALES BY TRADE

	1984 SALES (MILLION)	PERCENT OF TOTAL	CHANGE VS. 1983
ALL RETAIL STORES	$1,297,015	100.0%	+ 10.5%
Motor vehicle dealers	277,008	21.4	+ 19.0
Furnishings, appliances	63,581	4.9	+ 16.3
Building supply, hardware stores	68,703	5.3	+ 15.1
Apparel group	66,891	5.2	+ 10.9
Drug and proprietary stores	44,165	3.4	+ 10.3
General merchandise group	153,642	11.8	+ 10.2
Eating and drinking places	124,109	9.6	+ 8.2
Specialty food stores	16,624	1.3	+ 6.0
All other retail stores	108,097	8.4	+ 5.9
Grocery Stores	**253,704**	**19.5**	**+ 5.1**
Liquor stores	19,494	1.5	+ 2.5
Gasoline service stations	100,997	7.8	+ 2.2

GROCERY STORE SALES TRENDS: 1984*

Number of Grocery Stores	158,703
Sales (000)	$253,704,000
Sales per store	$ 1,598,609
U.S. Population	237,054
"People" per store	1,494
Number of Grocery Stores	
Over $2,000,000	29,655
$1,000,000–$2,000,000	9,474
$500,000–$1,000,000	12,966
$500,000 or more	52,095
All other	106,608
Sales (000)	
Over $2,000,000	$193,105,521
$1,000,000–$2,000,000	14,975,148
$500,000–$1,000,000	10,533,530
$500,000 or more	$218,614,199
All other	$ 35,089,801
Sales per store	
Over $2,000,000	$ 6,511,736
$1,000,000–$2,000,000	1,580,657
$500,000–$1,000,000	812,396
$500,000 or more	$ 4,196,453
All other	$ 329,148
Sales—% of Total Grocery Sales	
Over $2,000,000	76.1%
$1,000,000–$2,000,000	5.9
$500,000–$1,000,000	4.2
$500,000 or more	86.2%
All other	13.8%
Chains (4 or more stores)	36,803
Total Sales (000)	$163,826,515
Sales per store	$ 4,451,445
% of Total Sales	64.6%
All other stores	121,900
Total Sales (000)	$ 89,877,485
Sales per store	$ 737,305
% of Total Sales	35.4%

*Grocery store sales reported by U.S. Dept. of Commerce

1984 SALES OF FOOD STORE PRODUCTS

SUMMARY

(add 000 to all dollar figures)	1984 1 Value of Total Domestic Consumption	2 Amount Spent in Grocery Stores	3 % of Total Store	4 % Gro to Total	5 Percentage Change from 83 to 84 Total	 Grocery	1984 Supermarket Performance 6 Amount Spent in Supermarkets	7 % of Total Supermarket	8 $ Margin	9 % Margin
PERISHABLES	**$105,509,578**	**$121,788,575**	**48.00**	**66**	**3.9**	**4.4**	**$87,196,445**	**50.33**	**$26,524,529**	**27.3**
Baked Goods	16,980,848	10,624,459	4.19	63	3.2	3.2	7,398,490	3.83	1,798,500	24.3
Dairy	35,375,205	17,898,080	7.05	51	3.7	4.3	12,589,015	6.52	3,032,190	24.1
Fresh & Cured Meat, Fish & Poultry	72,734,790	48,982,056	19.31	67	2.2	2.4	39,091,500	20.24	8,400,000	21.5
Frozen Foods	16,983,078	12,309,519	4.85	72	6.4	7.0	10,755,980	5.57	3,182,230	29.6
In-Store Bakery	3,650,150	3,650,150	1.44	100	12.3	12.3	3,650,150	1.89	1,894,400	51.9
Produce	34,612,276	23,129,081	9.12	67	4.7	5.0	18,538,080	9.60	6,210,000	33.5
Service Deli	5,173,230	5,173,230	2.04	100	12.7	12.7	5,173,230	2.68	2,007,200	38.8
DRY GROCERY (FOOD)	**116,533,983**	**72,021,165**	**28.38**	**62**	**3.7**	**4.8**	**51,810,071**	**26.83**	**11,489,060**	**22.2**
Baby Foods	1,850,613	1,569,890	0.62	85	5.6	6.1	1,100,700	0.57	94,440	8.6
Baking Needs	2,836,079	2,531,840	1.00	89	-3.6	-3.6	1,853,800	0.96	397,310	21.4
Beer, Wine & Liquor	37,049,282	13,877,143	5.47	37	3.7	4.9	8,940,700	4.63	2,106,500	23.6
Breakfast Foods	4,967,030	4,742,942	1.87	95	10.3	11.0	3,476,000	1.80	689,570	19.8
Candy & Chewing Gum	8,688,788	2,985,967	1.18	34	8.6	8.6	2,046,950	1.06	683,700	33.4
Canned & Bottled Juices & Drinks	3,237,108	2,821,425	1.11	87	5.5	5.8	2,124,150	1.10	463,180	21.8
Canned & Dry Soups	2,009,304	1,874,607	0.74	93	8.2	8.7	1,409,660	0.73	293,860	20.8
Canned Fish & Other Canned Seafood	2,014,903	1,777,884	0.70	88	1.6	1.3	1,351,740	0.70	257,310	19.0
Canned Fruits	1,703,223	1,462,120	0.58	86	0.9	0.8	1,100,650	0.57	254,180	23.1
Canned Meat & Specialty Foods	2,072,909	1,555,862	0.61	75	2.3	2.2	1,081,400	0.56	226,840	21.0
Canned Milk	465,425	405,748	0.16	87	3.0	-2.7	309,000	0.16	38,630	12.5
Canned Prepared Food	1,498,521	1,377,465	0.54	92	4.7	5.2	1,004,150	0.52	235,240	23.4
Canned Vegetables	3,210,961	2,916,024	1.15	88	0.3	0.3	2,162,770	1.12	459,640	21.2
Condiments, Dressings, Spreads, Relishes	6,466,205	5,176,751	2.04	80	5.2	5.6	3,604,200	1.87	892,840	23.5
Desserts	632,244	555,251	0.22	88	5.0	5.4	424,830	0.22	97,500	23.0
Dried Foods	2,865,562	2,268,755	0.89	79	0.5	2.0	1,680,000	0.87	443,980	26.4
Fats & Shortenings	1,991,752	1,603,593	0.63	81	5.5	6.0	1,216,551	0.63	208,260	17.1
Jams, Jellies, Preserves	2,276,075	1,830,517	0.72	80	2.3	2.1	1,255,230	0.65	295,290	23.5
Pasta	1,172,470	869,219	0.34	74	2.9	2.3	637,240	0.33	166,950	26.2
Prepared Drinks	9,369,854	7,458,829	2.94	80	2.5	2.3	5,426,250	2.81	846,250	15.6
Snacks	6,696,354	4,175,104	1.65	62	5.9	8.1	2,742,100	1.42	819,890	29.9
Soft Drinks	11,312,879	6,491,562	2.56	57	3.1	3.7	4,982,000	2.58	1,263,990	25.4
Sweeteners, Flavors	2,745,592	2,251,955	0.89	82	1.0	0.8	1,680,000	0.87	253,710	15.1
All Other Dry Groceries	367,773	346,179	—	—	—	—	—	—	—	—
Duplication (Subtract)	1,066,921	905,486	0.36	85	4.4	4.2	—	—	—	—
Total Foods	**302,043,561**	**193,787,740**	**76.38**	**64**	**3.8**	**4.2**	**149,006,516**	**77.16**	**38,013,580**	**25.5**
DRY GROCERY (NON-FOOD)	**$53,105,156**	**$34,687,044**	**13.67**	**65**	**4.4**	**4.7**	**$24,659,650**	**12.77**	**$4,713,090**	**19.1**
Household Supplies	12,987,573	9,802,788	3.86	75	3.1	3.5	7,048,470	3.65	1,603,620	22.8
Paper, Plastic, Foil Products	10,075,174	8,590,477	3.39	85	6.7	6.5	6,488,300	3.36	1,221,890	18.8
Pet Foods	5,708,003	5,270,363	2.08	92	3.7	4.1	3,784,840	1.96	811,570	21.4
Tobacco Products	23,630,247	10,385,388	4.09	44	4.3	4.9	7,338,130	3.80	1,076,010	14.7
Other Groceries n.c.e.	704,158	638,029	0.25	—	—	—	—	—	—	—

Continued on page 85

WHAT THE NUMBERS MEAN

1 Includes farm consumption of farm goods. Value is computed as if sold at grocery store prices.

2 Grocery stores are defined as retail outlets doing a major portion of their business in dry groceries.

3 Percent of total sales.

4 Percent of total store volume.

5 Change in sales in total domestic consumption in grocery stores.

6 Grocery stores with $2 million-plus volume.

7 Percent of total supermarket sales.

8 Difference between cost and retail.

9 Dollar margin as a percent of retail sales.

—Not available. nd—No data available.

*Supermarket margins based on totals excluding Prescriptions.

1984 SALES OF FOOD STORE PRODUCTS

SUMMARY

(add 000 to all dollar figures)	1984						1984 Supermarket Performance			
	1 Value of Total Domestic Consumption	2 Amount Spent in Grocery Stores	3 % of Total Store	4 % Gro to Total	5 Percentage Change from 83 to 84 Total	Grocery	6 Amount Spent in Supermarkets	7 % of Total Supermarket	8 $ Margin	9 % Margin
HEALTH & BEAUTY AIDS (NON-Rx)	**27,768,467**	**10,331,686**	**4.07**	**37**	**7.7**	**7.6**	**8,110,410**	**4.20**	**2,107,830**	**26.0**
Cosmetics	4,249,531	529,295	0.21	12	6.7	7.1	407,170	.21	161,320	39.6
Dieting Aids	457,045	223,959	0.09	49	14.5	21.4	64,670	03	22,000	34.0
Feminine Hygiene Products	1,433,656	849,912	0.34	59	7.2	5.3	745,830	38	151,870	20.4
Hair Products	3,720,731	1,462,900	0.58	39	2.7	3.6	1,333,350	69	403,990	30.3
Health Aids	1,002,168	460,762	0.18	46	2.1	3.6	377,830	20	123,560	32.7
Infant Formulas	1,066,923	905,486	0.36	85	8.8	9.2	642,900	33	55,930	8.7
Nail Care Products	478,202	85,308	0.03	18	3.6	5.6	67,390	03	27,630	41.0
Oral Hygiene Products	2,076,029	1,122,747	0.44	54	2.9	3.5	977,000	50	213,810	21.9
Packaged Medications	5,801,527	1,935,604	0.76	33	6.4	7.8	1,677,650	87	425,960	25.4
Personal Cleanliness Products	158,144	33,822	0.01	21	2.7	3.3	26,710	01	8,390	31.4
Personal Deodorants, Antiperspirants	1,055,392	569,675	0.22	54	6.2	7.3	509,440	26	131,430	25.8
Shaving Products	1,660,118	553,156	0.22	33	4.8	1.6	436,910	23	112,150	25.7
Skin Care Products	1,521,791	366,633	0.14	24	3.6	6.4	290,760	15	81,540	28.0
Vitamins & Tonics	1,350,894	491,220	0.19	36	4.4	2.8	402,800	20	147,000	36.5
Other HBA	1,736,316	741,206	0.29	43	—	—	150,000	08	41,250	27.5
PRESCRIPTIONS	**19,612,483**	**1,577,145**	**0.62**	**8**	**10.4**	**11.5**	**1,577,145**	**.82**	**—**	**—**
GENERAL MERCHANDISE	**nd**	**13,320,385**	**5.25**	**nd**	**nd**	**21.3**	**9,751,800**	**5.05**	**3,642,070**	**37.4**
Auto Supplies	1,940,136	375,338	0.15	19	8.1	-6.2	305,980	16	90,260	29.5
Flashlights & Batteries	3,043,732	465,738	0.18	15	8.9	10.3	414,070	21	165,600	40.0
Greeting Cards	3,321,091	363,933	0.14	11	5.4	17.5	352,500	18	170,900	48.5
Hosiery	5,275,246	777,417	0.31	15	11.7	9.6	580,350	30	246,650	42.5
Housewares	3,632,883	318,400	0.13	9	3.2	3.1	2,670,000	1.38	1,134,750	42.5
Other Housewares	nd	3,018,795	1.19	nd	nd	4.8				
Magazines & Newspapers	8,971,680	1,319,320	0.52	15	5.2	5.6	1,051,140	54	315,340	30.0
Pet Accessories	1,518,153	405,002	0.16	27	1.0	1.0	394,860	20	157,940	40.0
Photo Supplies & Processing	5,548,881	819,983	0.32	15	7.9	7.4	698,640	36	157,200	22.5
Records & Tapes	2,170,123	192,530	0.08	9	13.2	13.5	144,370	07	59,190	41.0
Stationery	591,990	124,547	0.05	21	2.4	5.0	105,260	05	46,840	44.5
Toys	9,601,862	211,974	0.08	2	8.7	6.6	168,270	08	64,800	38.5
Writing Implements	831,140	94,854	0.04	11	4.3	4.4	68,310	04	30,400	44.5
Other General Merchandise	nd	5,714,745	nd	nd	—	—	2,798,050	1.45	1,002,200	35.8
Total Non-Foods*	**nd**	**59,916,260**	**23.62**	**nd**	**—**	**7.4**	**44,099,005**	**22.84**	**10,462,990**	**24.6**
GRAND TOTAL*	**nd**	**253,704,000**	**100.00**	**nd**	**—**	**5.3**	**193,105,521**	**100.00**	**48,476,570**	**25.3**

WHAT THE NUMBERS MEAN

1 Includes farm consumption of farm goods. Value is computed as if sold at grocery store prices.

2 Grocery stores are defined as retail outlets doing a major portion of their business in dry groceries.

3 Percent of total sales.

4 Percent of total store volume.

5 Change in sales in total domestic consumption in grocery stores.

6 Grocery stores with $2 million-plus volume.

7 Percent of total supermarket sales.

8 Difference between cost and retail.

9 Dollar margin as a percent of retail sales.

—Not available.

nd—No data available.

*Supermarket margins based on totals excluding Prescriptions.

CONSUMER
EXPENDITURES STUDY

PERISHABLES

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from '83 to '84 Total[1]	Percentage Change from '83 to '84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
PERISHABLES														
Baked Goods	**$16,980,848**	**$10,624,459**	**4.19**	**63**	**3.2**	**3.2**	**$7,398,490**	**3.83**	**$1,798,500**	**24.3**	**$16,462,800**	**$10,296,390**	**4.25**	**63**
Breads & Rolls	9,626,469	5,957,217	2.35	62	2.9	2.8	4,064,900	2.10	975,500	24.0	9,354,120	5,795,050	2.39	62
Rolls, Bread Type[4]	1,305,474	369,862	0.15	28	3.3	3.6					1,263,770	357,010	0.15	28
Variety Bread	1,683,411	732,739	0.29	44	5.5	5.8					1,595,650	692,570	0.29	43
White Bread	6,637,583	4,854,616	1.91	73	2.2	2.3					6,494,700	4,745,470	1.96	73
Crackers, Cookies, Biscuits	4,308,403	3,928,135	1.55	91	3.6	3.8	2,825,550	1.46	709,200	25.1	4,158,690	3,784,330	1.56	91
Sweet Goods	3,045,977	739,107	0.29	24	3.3	3.1	508,040	0.26	113,800	22.4	2,949,190	717,010	0.30	24
Cakes & Other Pastry	1,991,016	438,568	0.17	22	3.6	3.7					1,921,830	422,920	0.17	22
Doughnuts	567,818	[illegible]	0.08	34	1.1	1.2					561,640	193,390	0.08	34
Pies	487,143	104,829	0.04	22	4.6	4.1					465,720	100,700	0.04	22
In-Store Bakery	**3,650,150**	**3,650,150**	**1.44**	**100**	**12.3**	**12.3**	**3,650,150**	**1.89**	**1,894,400**	**51.9**	**3,251,430**	**3,251,430**	**1.34**	**100**
Dairy	**35,375,205**	**17,898,000**	**7.05**	**51**	**3.7**	**4.3**	**12,589,015**	**6.52**	**3,032,190**	**24.1**	**34,119,540**	**17,157,539**	**7.09**	**50**
Cheese	5,606,740	4,059,387	1.60	72	2.6	2.5	3,079,880	1.59	893,690	29.0	5,463,150	3,959,120	1.64	72
Cottage & Pot Cheese	689,761	489,351	0.19	71	5.1	5.4	357,340	0.19	94,720	26.5	656,290	464,280	0.19	71
Natural Cheese[5]	3,100,595	1,802,016	0.71	58	2.7	2.9	1,344,840	0.70	398,070	29.6	3,019,080	1,751,230	0.72	58
Processed Cheese[6]	1,816,384	1,768,021	0.70	97	1.6	1.4	1,377,700	0.71	400,900	29.1	1,787,780	1,743,610	0.72	98
Eggs (Shell)	4,766,162	1,520,860	0.60	32	10.8	11.2	957,240	0.50	160,800	16.8	4,301,590	1,367,680	0.57	32
Milk & Milk Products	18,965,935	7,121,709	2.81	38	0.8	0.7	4,817,940	2.50	1,034,960	21.5	18,822,220	7,069,160	2.92	38
Butter	1,723,859	863,799	0.34	50	2.5	2.2	687,950	0.36	139,000	20.2	1,768,060	883,230	0.36	50
Fresh Cream	418,597	233,956	0.09	56	1.8	1.6	177,400	0.09	42,580	24.0	426,270	237,760	0.10	56
Fresh Milk	16,756,868	5,963,109	2.35	36	1.1	1.2					16,566,610	5,892,400	2.43	36
For Home Consumption	*10,497,942*	*5,963,109*	*2.35*	*57*	*1.6*	*1.2*	*3,907,000*	*2.02*	*840,160*	*21.5*	*10,332,620*	*5,892,400*	*2.43*	*57*
Other Milk	*6,258,926*				*0.4*						*6,233,990*			
Refrigerated Toppings[7]	66,611	60,845	0.02	91	8.7	9.1	45,590	0.02	13,220	29.0	61,280	55,770	0.02	91
Yogurt	1,646,509	1,334,808	0.53	81	12.3	10.8	952,350	0.49	242,850	25.5	1,466,170	1,204,700	0.50	82
Margarine	1,942,689	1,607,605	0.63	83	5.1	5.3	1,133,340	0.59	265,200	23.4	1,848,420	1,526,690	0.63	83
Refrigerated Fruit Juices, Drinks[8]	1,679,288	1,613,348	0.64	96	13.2	13.5	1,145,200	0.59	288,600	25.2	1,483,480	1,420,890	0.59	96
Apple Juice	54,315	50,691	0.02	93	18.8	19.3					45,720	42,490	0.02	93
Grapefruit Juice	116,484	107,702	0.04	92	3.8	4.1					112,220	103,460	0.04	92
Orange Flavored Drinks	97,681	91,842	0.04	94	10.2	10.6					88,640	83,040	0.03	94
Orange Juice	1,364,123	1,319,776	0.52	97	14.1	14.4					1,195,550	1,153,650	0.48	96
Other Fruit Drinks, Juices	46,684	43,337	0.02	93	12.9	13.3					41,350	38,250	0.02	93
Refrigerated Dough Products	577,431	539,781	0.21	93	4.7	5.2	421,440	0.22	119,270	28.3	551,510	513,100	0.21	93
Refrigerated Fish Appetizers	31,495	29,003	0.01	92	7.6	8.1	23,285	0.01	7,570	32.5	29,270	26,830	0.01	92
Refrigerated Pickles, Relishes	158,957	71,580	0.03	45	3.4	3.2	58,340	0.03	19,250	33.0	153,730	69,360	0.03	45
Frozen Foods	**16,983,078**	**12,389,519**	**4.85**	**72**	**6.4**	**7.0**	**10,755,980**	**5.57**	**3,182,230**	**29.6**	**15,966,780**	**11,499,560**	**4.75**	**72**
Frozen Baked Goods	1,153,050	1,034,389	0.41	90	4.2	4.4	884,900	0.46	281,410	31.8	1,106,470	990,820	0.41	90
Frozen Bagels	106,983	99,487	0.04	93	14.9	15.2	84,630	0.04	26,400	31.2	93,110	86,360	0.04	93
Frozen Breads & Rolls	281,622	241,655	0.10	86	20.3	21.1	200,320	0.10	62,900	31.4	234,100	199,550	0.08	85
Frozen Cakes, Pastries	451,041	416,757	0.16	92	5.1	4.8	365,000	0.19	120,450	33.0	475,280	437,770	0.18	92
Frozen Pies	313,403	276,490	0.11	88	3.1	3.5	234,950	0.12	71,660	30.5	303,980	267,140	0.11	88
Frozen Breakfast Entrees	314,732	298,677	0.12	95	12.1	13.3	280,480	0.15	81,340	29.0	280,720	263,700	0.11	94
French Toast, Pancakes	40,280	38,035	0.01	94	23.9	24.5					32,510	30,550	0.01	94
Waffles	186,502	175,934	0.07	94	4.7	5.4					178,130	166,920	0.07	94
Other Breakfast	87,950	84,708	0.03	96	25.5	27.9					70,080	66,230	0.03	95
Ice Cream[9]	4,586,613	1,515,592	0.60	33	6.7	5.6	1,273,230	0.66	362,870	28.5	4,298,930	1,435,220	0.59	33
Bulk Ice Cream	703,533	—	—	—	6.2	—					622,460	—	—	—
Packaged Ice Cream	2,543,419	1,515,592	0.60	60	6.1	5.6					2,397,190	1,435,220	0.59	60
Specialty Ice Cream	1,339,662				8.1						1,239,280			
Frozen Coffee Creamer	44,712	40,013	0.02	89	4.2	4.8	35,250	0.02	10,000	28.4	42,910	38,180	0.02	89
Frozen Toppings	186,216	170,041	0.07	91	6.8	7.2	146,640	0.08	37,390	25.5	174,360	158,620	0.07	91
Frozen Meat, Fish, Poultry	3,045,357	2,463,712	0.97	81	5.8	6.8	2,130,080	1.10	698,940	32.8	2,877,800	2,307,260	0.95	80

[1] All consumption—whether at farm level or by institutions, restaurants, government—is given here in terms of retail store valuation (except as otherwise noted). Excluded are those portions of a commodity which are used commercially in making some other products.

[2] Refers to grocery stores and includes supermarkets. Excluded from this column (but included in the first column) are sales by such specialty food stores as delicatessens, dairy stores, bakeries, meat markets, confectionery stores, fruit and vegetable markets, egg dealers.

[3] Decreases are shown by minus signs. Other figures represent increases.

[4] Includes bagels, onion rolls.

[5] Includes cheddar, colby, brick, cream, foreign types.

[6] Includes cheese food and cheese spreads.

[7] Aerosol packaged consumer sizes. Butterfat and non-butterfat bases. Excludes powders.

[8] In carton, bottle or plastic.

[9] Grocery store sales are mainly packaged ice cream and specialties, and a negligible amount of bulk ice cream

CONSUMER EXPENDITURES STUDY

PERISHABLES

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from 83 to 84 Total[1]	Percentage Change from 83 to 84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
Fish & Other Seafood	841 514	618.109	0 24	73	4 3	4 5	533 460	0 28	178 890	33 5	806 720	591 600	0 24	73
Frozen Fish Sticks	*109.679*	*85.430*	*0 03*	*78*	*3 9*	*2 5*	*74 270*	*0 04*	*25 250*	*34 0*	*114 130*	*87 620*	*0 04*	*77*
Frozen Shrimp	*226 950*	*173 778*	*0 07*	*77*	*11 6*	*10 3*	*149 000*	*0 08*	*53 640*	*36 0*	*203 360*	*157 550*	*0 07*	*77*
Other Frozen Fish & Seafood	*504 885*	*358.901*	*0 14*	*71*	*3 2*	*3 6*	*310 190*	*0 16*	*100 000*	*32 2*	*489 230*	*346 430*	*0 14*	*71*
Frozen Meat	551 117	265.033	0 10	48	0 6	0 8	232 750	0 12	76 800	33 0	547 830	262 930	0 11	48
Frozen Poultry	1 652 726	1.580.570	0 62	96	8 5	8 8	1 363 870	0 71	443 250	32 5	1 523 250	1 452 730	0 60	95
Frozen Prepared Foods (Precooked)[10]	3 429 729	3.332.833	1 31	97	8 4	10 0	2 943 890	1 52	859 170	29 2	3 164 470	3 028 970	1 25	96
Frozen Dinners	1 411 535	1 415 469	0 56	100	14 8	17 6	1 247 370	0 65	366 700	29 4	1 229 560	1 203 630	0 50	98
Frozen Meat Pies	241 482	222.276	0 09	92	10 1	10 8	376 230	0 19	103 460	27 5	219 330	200 610	0 08	91
Frozen Pizza	1 057 440	1.015.987	0 40	96	1 3	2 1	895 800	0 46	259 780	29 0	1 043 870	995 090	0 41	95
Frozen Poultry Pies	222 746	205.426	0 08	92	9 7	11 3		(see Meat Pies)			203 050	184 570	0 08	91
Frozen Oriental	209 242	200 232	0 08	96	9 7	10 4	179 540	0 09	55 300	30 8	190 740	181 370	0 07	95
Frozen Mexican	260 501	247 917	0 10	95	2 6	2 9	222 850	0 11	67 300	30 2	253 900	240 930	0 10	95
Other Frozen Prepared Foods	26 782	25.525	0 01	95	11 5	12 1	22 100	0 01	6 630	30 0	24 020	22 770	0 01	95
Frozen Fruits[11]	126 154	117 380	0 05	93	0 4	0 6	100 950	0 05	32 800	32 5	125 600	116 650	0 05	93
Blueberries	12 182	11 007	00	90	2 2	2 3					11 920	10 760	00	90
Raspberries	14 169	13.075	0 01	92	3 8	4 1					13 650	12 560	0 01	92
Strawberries	62 056	58.438	0 02	94	0 9	0 7					62 620	58 850	0 02	94
Other Frozen Fruits	37 747	34 859	0 01	92	0 9	1 1					37 410	34 480	0 01	92
Fruit Juice Concentrates	1 797 350	1 637.380	0 65	91	5 4	5 8	1.419.660	0 74	371 800	26 2	1 705 120	1 548 150	0 64	91
Apple Juice	141 933	130.738	0 05	92	1 7	1 9					139.560	128 300	0 05	92
Grape	118 562	107.131	0 04	90	1 5	1 7					116 810	105 340	0 04	90
Grapefruit	21 430	19.020	0 01	89	0 8	0 9					21 260	18 850	0 01	89
Orange	1 479 247	1 346 577	0 53	91	6 4	6 8	1.138.380	0 59	284 600	25 0	1 390 270	1 260 940	0 52	91
Other Fruit Concentrates	36 178	33.915	0 01	94	2 8	2 6	281 280	0 15	87 200	31 0	37 220	34 820	0 01	94
Frozen Fruit Drinks	140 678	128 667	0 05	91	0 2	1 0	109 990	0 06	32 450	29 5	140 420	127 380	0 05	91
Lemonade Bases	52 191	48.020	0 02	92	3 6	1 7					54 140	48 850	0 02	90
Regular Orange	12 761	11 389	00	89	2 5	2 7					12 450	11 090	00	89
Synthetic Orange[12]	34 934	31 368	0 01	90	3 6	3 8					33 720	30 220	0 01	90
Other Fruit Drinks	40 792	37 890	0 01	93	1 7	1 8					40 110	37 220	0 02	93
Frozen Vegetables	2 158 486	1 570 836	0 62	73	5 3	5 8	1 400 910	0 73	414 060	29 6	2 049 900	1 484 610	0 61	72
Asparagus	59 415	41.097	0 02	69	1 2	1 4					58 710	40 530	0 02	69
Broccoli	133 887	94.085	0 04	70	4 2	4 4					128 490	90 120	0 04	70
Cauliflower	38 509	27.139	0 01	70	2 5	2 8					37 570	26 400	0 01	70
Corn	182 546	125.422	0 05	69	10 1	10 3					165 800	113 710	0 05	69
French Fried Potatoes	798 137	640 302	0 25	80	8 2	8 5	540 480	0 26	151 300	28 0	737 650	590 140	0 24	80
Green Beans	92 453	67.142	0 03	73	2 6	3 2					90 110	65 060	0 03	72
Green Peas	153 643	107.635	0 04	70	4 2	4 5					147 450	103 000	0 04	70
Lima Beans	52.511	34.300	.0 01	65	1 1	1 3					51 940	33 860	0 01	65
Spinach	62 260	44 067	0 02	71	1 4	1 7					61 400	43 330	0 02	71
Other Potato Products	100 477	72.469	0 03	72	6 1	6 4	61 500	0 03	19 060	31 0	94 700	68 110	0 03	72
Other Frozen Vegetables	484 649	317 178	0 13	65	1 8	2 2	798 930	0 41	243 700	30 5	476 080	310 350	0 13	65
Fresh & Cured Meat, Fish & Poultry	**72 734 790**	**48.982.056**	**19 31**	**67**	**2 2**	**2 4**	39.091 500	20 24	8 400 000	21 5	71.154.020	47 841 170	19 77	67
Fresh Fish & Other Fresh Seafood	2 739 203	2 445.551	0 96	89	9 8	9 5					2 494 720	2 233 380	0 92	90
Fresh Meat	43 644 945	26 968 829	10 63	62	0 9	1 0					43 257 510	26 689 930	11 03	62
Beef	35 383 072	21 368 123	8 42	60	1 2	1 4					34 963 510	21 073 100	8 71	60
Lamb	1 224 801	1 079 833	0 43	88	3 6	3 9					1 182 240	1 039 300	0 43	88
Pork	5 930 015	3 834 411	1 51	65	2 2	2 4					6 063 410	3 928 700	1 62	65
Veal	1 107 058	686.462	0 27	62	5 6	5 8					1 048 350	648 830	0 27	62
Fresh Poultry	9 823 491	6 477 320	2 55	66	12 1	12 4					8 763 150	5 762 740	2 38	66
Packaged Meats	16 527 151	13 090 356	5 16	79	0 7	0 5					16 638 640	13 155 120	5 44	79
Cured Ham & Picnics	2 832 404	2 237 811	0 88	79	2 5	2 2					2 905 030	2 288 150	0 95	79
Frankfurters	1 916 574	1 486 253	0 59	78	0 9	0 7					1 933 980	1 496 730	0 62	77
Packaged Bacon	2 716 098	2 228 452	0 88	82	2 8	2 7					2 794 340	2 290 290	0 95	82
Packaged Cold Cuts	4 126 726	3 254.712	1 28	79	4 2	4 4					3 960 390	3 117 540	1 29	79
Sausages (Uncooked)	1 417 619	1 110 381	0 44	78	1 6	1 5					1 440 670	1 127 290	0 47	78
Other Sausage Products (Cooked)	3 517 728	2 772.747	1 09	79	2 4	2 2					3 604 230	2 835 120	1 17	79
Service Deli	**5.173.230**	**5 173 230**	**2 04**	**100**	**12 7**	**12 7**	5 173.230	2 68	2 007 200	38 8	4 589 320	4 589 320	1 90	100
Produce	**34 612 276**	**23 129 081**	**9 12**	**67**	**4 7**	**5 0**	18 538 080	9 60	6 210 000	33 5	33 059 360	22 027 480	9 10	67
Fresh Vegetables	22 968 654	13 739 007	5 42	60	4 9	5 1					21 905 020	13 073 170	5 40	60
Carrots	505 964	352 327	0 14	70	6 4	7 1					475 530	328 970	0 14	69
Celery	675 330	425 635	0 17	63	8 2	8 5					624 150	392 290	0 16	63
Corn	538 018	293 612	0 12	55	9 4	9 7					491 790	267 650	0 11	54
Lettuce	2 276 379	1 452 674	0 57	64	3 4	2 9					2 356 500	1 496 060	0 62	63
Mushrooms	625 578	425 832	0 17	68	8 5	8 8					576 570	391 390	0 16	68
Onions	925 987	529 441	0 21	57	5 3	5 5					879 380	501 840	0 21	57

[10] Includes frozen soups.

[11] Consumer size packages for home use.

[12] Excludes powdered synthetic orange.

*Less than .005%

CONSUMER
EXPENDITURES STUDY

PERISHABLES

CONTINUED

(add 000 to all dollar figures)	1984 Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from '83 to '84 Total[1]	Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	1983 Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
Potatoes	3,348,721	2,008,553	0.79	60	12.2	12.5					2,984,600	1,785,380	0.74	60
Tomatoes	2,388,636	1,387,875	0.55	58	3.7	3.9					2,303,410	1,335,780	0.55	58
Other Fresh Vegetables	11,684,040	6,863,058	2.71	59	4.2	4.4					11,213,090	6,573,810	2.72	59
Fresh Fruit	11,643,621	9,390,074	3.70	81	4.4	4.9					11,154,340	8,954,310	3.70	80
Apples	2,422,010	2,129,012	0.84	88	8.7	9.4					2,228,160	1,946,080	0.80	87
Bananas	1,767,687	1,419,127	0.56	80	-1.6	-1.8					1,796,430	1,445,140	0.60	80
Citrus Fruits	2,224,383	1,848,186	0.73	83	7.6	8.2					2,067,270	1,708,120	0.71	83
Other Fresh Fruits	5,229,542	3,993,749	1.57	76	3.3	3.6					5,062,480	3,854,970	1.59	76
Total Perishables	**185,509,578**	**121,766,575**	**48.00**	**66**	**3.9**	**4.4**	**97,196,445**	**50.33**	**26,524,520**	**27.3**	**178,682,378**	**116,662,880**	**48.28**	**65**

CONSUMER
EXPENDITURES STUDY

DRY GROCERY: FOOD

(add 000 to all dollar figures)	1984 Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from '83 to '84 Total[1]	Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	1983 Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
DRY GROCERIES														
Baby Foods[13]	**$1,850,613**	**$1,569,890**	**0.62**	**85**	**5.6**	**6.1**	**1,100,700**	**0.57**	**94,440**	**8.6**	**$1,752,250**	**$1,479,150**	**0.61**	**84**
Desserts	60,233	50,200	0.02	83	-3.1	-2.6	35,640	0.02	3,560	10.0	62,150	51,540	0.02	83
Fruits & Juices	333,346	288,268	0.11	86	2.2	3.1	204,670	0.11	20,050	9.8	326,170	279,600	0.12	86
Meat & Combinations	243,933	202,848	0.08	83	2.0	2.5	144,030	0.07	14,980	10.4	239,150	197,900	0.08	83
Vegetables	88,317	74,335	0.03	84	2.1	2.8	52,880	0.03	5,130	9.7	86,500	72,310	0.03	84
Infant Cereals	57,862	48,755	0.02	84	0.7	0.9	34,640	0.02	4,220	12.2	57,460	48,320	0.02	84
Infant Formulas	1,066,923	905,486	0.36	85	8.8	9.2	628,840	0.33	46,500	7.4	980,810	829,480	0.34	85
Hypoallergenic Formulas[14]	*247,358*	*211,185*	*0.08*	*85*	*11.8*	*12.1*					*221,250*	*188,390*	*0.08*	*85*
Routine Infant Formulas	*819,565*	*694,300*	*0.27*	*85*	*7.9*	*8.3*					*759,560*	*641,090*	*0.27*	*84*
Baking Needs	**2,836,079**	**2,531,848**	**1.00**	**89**	**3.6**	**3.6**	**1,853,800**	**0.96**	**397,310**	**21.4**	**2,942,660**	**2,625,360**	**1.09**	**89**
Baking Chocolate & Bits	356,722	338,169	0.13	95	0.9	1.1	247,560	0.13	54,460	22.0	353,540	334,490	0.14	95
Baking Powder	21,626	19,389	0.01	90	1.2	1.3	14,190	0.01	3,760	26.5	21,3/0	19,140	0.01	90
Baking Soda	14,861	12,397	00	83	2.0	2.2	9,075	00	2,430	26.8	14,570	12,130	0.01	83
Yeast	50,853	47,735	0.02	94	1.3	1.5	34,940	0.02	10,940	31.3	50,200	47,030	0.02	94
Baking Nuts	353,621	282,609	0.11	80	2.5	3.2	207,340	0.11	59,100	28.5	362,690	291,880	0.12	80
Shelled Walnuts	243,954	193,227	0.08	79	2.9	3.8					251,240	200,860	0.08	80
Other Baking Nuts	109,667	89,382	0.04	82	1.6	1.8					111,450	91,020	0.04	82
Flour	2,038,396	1,831,541	0.72	90	4.8	4.6	1,340,695	0.69	266,620	19.9	2,140,290	1,920,690	0.80	90
Cake Flour	13,028	11,643	00	89	2.1	2.4	8,525	00	1,920	22.5	12,760	11,370	00	89
Corn Meal	150,353	127,350	0.05	85	0.8	1.2	93,220	0.05	20,320	21.8	149,160	125,840	0.05	84
Family Flour	586,112	475,263	0.19	81	3.6	3.5	347,900	0.18	50,800	14.6	608,000	492,500	0.20	81
Pancake & Waffle Mixes	134,094	123,236	0.05	92	5.1	4.8	90,210	0.05	21,380	23.7	141,300	129,450	0.05	92
Prepared Mixes	1,154,809	1,094,049	0.43	95	6.0	5.8	800,840	0.41	172,200	21.5	1,229,070	1,161,530	0.48	95
Cake Mixes	*523,830*	*494,526*	*0.19*	*94*	*4.9*	*4.8*					*550,820*	*519,460*	*0.22*	*94*
Frostings, Icings, Fudge Mixes	*253,868*	*232,811*	*0.09*	*92*	*11.3*	*11.1*					*286,210*	*261,880*	*0.11*	*91*
Pie Crust Mixes	*61,368*	*59,091*	*0.02*	*96*	*1.1*	*1.2*					*60,700*	*58,390*	*0.02*	*96*
Pizza Pie Mixes	*83,073*	*80,758*	*0.03*	*97*	*6.1*	*5.8*					*88,470*	*85,730*	*0.04*	*97*
Other Prepared Mixes	*232,669*	*226,863*	*0.09*	*98*	*4.2*	*3.9*					*242,870*	*236,070*	*0.10*	*97*
Beer, Wine & Liquor[15]	**37,049,282**	**13,877,143**	**5.47**	**37**	**3.7**	**4.9**	**8,940,700**	**4.63**	**2,106,500**	**23.6**	**35,742,460**	**13,222,790**	**5.49**	**37**
Beer	18,227,135	11,495,025	4.53	63	4.4	5.2	7,391,100	3.83	1,493,000	20.2	17,451,590	10,926,830	4.53	63
Beer for Home Consumption	*12,424,403*	*11,495,025*	*4.53*	*93*	*4.7*	*5.2*					*11,866,670*	*10,926,830*	*4.53*	*92*
Beer for On-Premise Consumption	*5,802,732*	—	—	—	*3.9*	—					*5,584,920*	—	—	
Liquor	12,247,057	314,309	0.12	3	2.8	4.1	291,500	0.15	116,600	40.0	11,913,480	301,930	0.13	3
Wine	6,575,089	2,067,809	0.82	31	3.1	3.7	1,258,100	0.65	496,900	39.5	6,377,390	1,994,030	0.83	31
Breakfast Foods	**4,967,030**	**4,742,942**	**1.87**	**95**	**10.3**	**11.0**	**3,476,000**	**1.80**	**689,570**	**19.8**	**4,501,990**	**4,272,710**	**1.77**	**95**
Cold Cereals	3,914,617	3,769,458	1.49	96	10.5	11.2	2,732,420	1.41	532,800	19.5	3,542,640	3,389,800	1.41	96
Hominy Grits	85,081	75,277	0.03	88	0.7	0.8	58,100	0.03	11,740	20.2	84,490	74,680	0.03	88
Hot Cereals	426,521	381,552	0.15	89	3.6	3.9	291,240	0.15	58,830	20.2	411,700	367,230	0.15	89
Cereal Bars	452,244	433,844	0.17	96	16.3	16.7	331,240	0.17	71,200	21.5	388,860	371,760	0.15	96
Toaster Pastries	88,566	82,811	0.03	94	19.2	19.6	63,000	0.03	15,000	23.8	74,300	69,240	0.03	93

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[13] Includes glass packs. Infant formulas also listed under HBA.

[14] Includes soya isolate formulas.

[15] Spending in all outlets includes restaurant and other on-premise.

DRY GROCERY: FOOD

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro [2] to Total	Percentage Change from 83 to 84 Total[1]	Percentage Change from 83 to 84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro [2] to Total
Candy & Chewing Gum	**8 688 788**	**2 985 967**	**1 18**	**34**	**8 6**	**8 6**	**2,046 950**	**1 06**	**683 700**	**33 4**	**7,998 170**	**2 748 610**	**1 14**	**34**
Bar Candy	3 244 231	1 034 369	0 41	32	10 6	8 8					2 934 050	950 390	0 39	32
Chocolate	*2 543 671*	*810 395*	*0 32*	*32*	*10 4*	*8 6*					*2 304 050*	*746 220*	*0 31*	*32*
Non-Chocolate	*700 560*	*223 974*	*0 09*	*32*	*11 2*	*9 7*					*630 000*	*204 170*	*0 08*	*32*
Packaged Chocolate	262 574	118 710	0 05	45	7 7	6 1					243 690	111 880	0 05	46
Chocolate Covered Creams	*130 112*	*59 847*	*0 02*	*46*	*7 7*	*6 3*					*120 810*	*56 300*	*0 02*	*47*
Chocolate Covered Fruits	*66 596*	*28 859*	*0 01*	*43*	*7 5*	*5 4*					*61 950*	*27 380*	*0 01*	*44*
Chocolate Covered Nuts	*65 865*	*30 005*	*0 01*	*46*	*8 1*	*6 4*					*60 930*	*28 200*	*0 01*	*46*
Packaged Candy Covered Chocolate	325 315	178 183	0 07	55	9 6	7 8	1 531 530	0 79	493 150	32 2	296 820	165 290	0 07	56
Bulk Candy	644 782	374 527	0 15	58	11 2	17 3					579 390	319 290	0 13	55
Packaged Soft Candy	109 866	60 324	0 02	55	9 2	7 3					100 610	56 220	0 02	56
Packaged Hard Candy	321 995	185 556	0 07	58	7 5	7 6					299 530	172 450	0 07	58
Hard Roll Candy	139 866	68 837	0 03	49	4 3	4 6					134 100	65 810	0 03	49
Diet Candy, Mints, Gum	19 850	14 947	0 01	75	1 9	2 1					19 480	14 640	0 01	75
Breath Fresheners	191 584	93 083	0 04	49	4 4	4 8	60 500	0 03	21 840	36 1	183 510	88 820	0 04	48
Marshmallows	72 288	64 308	0 03	89	5 3	4 6	41 420	0 02	11 300	27 3	68 650	61 480	0 03	90
Chewing Gum	1 354 161	615 366	0 24	45	6 6	6 6	413 500	0 21	157 500	38 1	1 270 080	577 140	0 24	45
Regular Chewing Gum	*535 575*	*238 979*	*0 09*	*45*	*7 1*	*7 3*					*500 070*	*222 720*	*0 09*	*45*
Sugarless Chewing Gum	*397 154*	*178 064*	*0 07*	*45*	*7 4*	*7 8*					*369 790*	*165 180*	*0 07*	*45*
Bubble Gum	*421 432*	*198 324*	*0 08*	*47*	*5 3*	*4 8*					*400 220*	*189 240*	*0 08*	*47*
Other Candy	2 002 775	177 255	0 07	9	7 2	7 6					1 868 260	165 200	0 07	9
Canned Fish & Other Canned Seafood	**2 014 903**	**1 777 884**	**0 70**	**88**	**1 6**	**1 3**	**1,351,740**	**0 70**	**257 310**	**19 0**	**2 048 200**	**1 800 900**	**0 75**	**88**
Canned Salmon	331 501	243 876	0 10	74	4 7	4 4	187 700	0 09	49 180	26 2	347 850	255 100	0 11	73
Canned Sardines	91 893	86 480	0 03	94	1 9	3 1	66 950	0 03	19 680	29 4	90 180	83 880	0 03	93
Canned Tuna	1 511 956	1 386 163	0 55	92	1 3	1 1	1 058 370	0 56	177 800	16 8	1 531 870	1 401 580	0 58	91
Other Canned Fish & Seafood	79 553	61 366	0 02	77	1 6	1 7	387 200	0 02	10 650	27 5	78 300	60 340	0 03	77
Canned Fruits	**1 703 223**	**1 462 120**	**0 58**	**86**	**0 9**	**0 8**	**1,100,650**	**0 57**	**254 180**	**23 1**	**1 719 480**	**1 474 540**	**0 61**	**86**
Applesauce	229 539	200 844	0 08	87	0 6	0 8	148 460	0 07	37 700	25 4	226 170	199 250	0 08	87
Apricots	29 320	26 296	0 01	90	1 0	1 1	19 150	0 01	4 670	24 4	29 030	26 010	0 01	90
Citrus[16]	56 762	49 954	0 02	88	2 1	1 9	38 000	0 02	10 000	26 4	57 980	50 920	0 02	88
Fruit Cocktail	248 750	212 639	0 08	85	1 2	1 1	148 540	0 07	30 450	20 5	245 800	209 410	0 09	85
Peaches	308 066	263 913	0 10	86	1 6	4 4	174 050	0 09	39 330	22 6	322 920	276 060	0 11	85
Pears	158 119	133 901	0 05	85	1 6	1 5	105 490	0 05	23 630	22 4	160 690	135 940	0 06	85
Pineapple	240 995	205 675	0 08	85	7 9	6 8	200 000	0 10	45 400	22 7	223 350	192 580	0 08	86
Other Canned Fruit	431 672	368 884	0 15	85	4 4	3 9	266 960	0 13	63 000	23 6	451 540	383 870	0 16	85
Canned & Bottled Juices & Drinks[17]	**3 237 108**	**2 821 425**	**1 11**	**87**	**5 5**	**5 8**	**2 124 150**	**1 10**	**463 180**	**21 8**	**3 069 610**	**2 666 720**	**1 11**	**87**
Apple Juice & Cider	713 093	649 560	0 26	91	7 4	7 7	541 480	0 28	120 200	22 2	663 960	603 120	0 25	91
Cranberry Juice	313 980	292 910	0 12	93	5 2	5 5	272 200	0 14	56 600	20 8	298 460	277 640	0 12	93
Grape Juice	142 145	131 292	0 05	92	6 9	7 3	104 135	0 05	23 120	22 2	132 970	122 360	0 05	92
Grapefruit Juice	161 261	133 669	0 05	83	1 8	2 1	104 350	0 05	22 120	21 2	158 410	130 920	0 05	83
Nectars	64 525	60 024	0 02	93	8 1	8 7	45 060	0 02	12 700	28 2	59 690	55 220	0 02	93
Orange Juice	131 287	102 272	0 04	78	5 8	6 4	76 770	0 04	18 420	24 0	124 090	96 120	0 04	77
Pineapple Juice	106 334	98 966	0 04	93	2 5	2 8	74 280	0 04	15 520	20 9	103 740	96 270	0 04	93
Prune Juice	133 807	114 432	0 05	86	1 3	1 6	83 790	0 04	18 270	21 8	132 090	112 630	0 05	85
Other Canned Juices	28 971	22 919	0 01	79	2 3	2 5	17 200	0 01	4 130	24 0	28 320	22 360	0 01	79
Vegetable Juices[18]	288 569	246 085	0 10	85	0 9	0 6	197 775	0 10	39 750	20 1	291 190	247 570	0 10	85
Fruit Drinks	1 153 135	969 296	0 38	84	7 1	7 4	607 110	0 31	132 350	21 8	1 076 690	902 510	0 37	84
Canned Meat & Specialty Foods	**2,072 909**	**1 555 882**	**0 61**	**75**	**2 3**	**2 2**	**1,081,400**	**0 56**	**226 840**	**21 0**	**2 122 000**	**1 590 940**	**0 66**	**75**
Beef Hash	94 896	74 294	0 03	78	1 7	1 8	54 160	0 03	12 240	22 6	93 310	72 980	0 03	78
Corned Beef	82 830	75 005	0 03	91	0 6	0 8	54 680	0 03	13 120	24 0	83 330	75 610	0 03	91
Lunch Meat	192 765	165 351	0 07	86	4 6	4 2	120 530	0 06	17 470	14 5	202 060	172 600	0 07	85
Meat Spreads	91 103	83 480	0 03	92	0 6	0 7	61 460	0 03	14 130	23 0	90 560	82 900	0 03	92
Poultry	106 369	97 000	0 04	91	0 9	1 2	70 000	0 04	16 380	23 4	105 420	95 850	0 04	91
Sausages & Frankfurters	164 207	144 617	0 06	88	1 2	1 4	105 400	0 05	25 500	24 2	162 260	142 620	0 06	88
Other Canned Meats	1 340 738	916 135	0 36	68	3 2	3 4	615 170	0 32	128 000	20 8	1 385 060	948 380	0 39	68
Canned Milk	**465,425**	**405,748**	**0 16**	**87**	**3 0**	**2 7**	**309,000**	**0 16**	**38,630**	**12 5**	**479,840**	**416,900**	**0 17**	**87**
Condensed Milk	26 465	16 606	0 01	63	4 7	4 4					27 770	17 370	0 01	63
Evaporated Milk	438 960	389 142	0 15	89	2 9	2 6					452 070	399 530	0 17	88
Canned Prepared Food	**1,498 521**	**1 377 465**	**0 54**	**92**	**4 7**	**5 2**	**1,004,150**	**0 52**	**235,240**	**23 4**	**1,430,760**	**1,309,460**	**0 54**	**92**
Chili	284 998	246 669	0 10	87	1 6	1 9	180,240	0 09	38 750	21 5	280 510	242 070	0 10	86
Meat Stew	154 330	135 236	0 05	88	3 1	3 9	92,590	0 05	19 440	21 0	149 690	130 160	0 05	87
Mexican Food	421 547	392 790	0 15	93	5 4	5 6	290 790	0 15	75 000	25 8	399 950	371 960	0 15	93
Oriental Food	214 799	204 202	0 08	95	6 1	6 7	149,130	0 08	40 860	27 4	202 450	191 380	0 08	95
Pasta	422 846	398 567	0 16	94	6 2	6 6	291,400	0 15	61,190	21 0	398 160	373 890	0 16	94
Canned & Dry Soups	**2 009 304**	**1,874,607**	**0 74**	**93**	**8 2**	**8 7**	**1,409,660**	**0 73**	**293,860**	**20 8**	**1,856,700**	**1,724,160**	**0 72**	**93**
Canned Soups[19]	1 648 563	1 542 734	0 61	94	7 8	8 3	1 143 950	0 59	231 000	20 2	1 529 190	1 424 020	0 59	93
Condensed Soups	*1 115,705*	*1 043 937*	*0 41*	*94*	*4 6*	*5 1*					*1 066 640*	*993 280*		
Single Strength Soups	*532 858*	*498 797*	*0 20*	*94*	*15 2*	*15 8*					*462 550*	*430 740*	*0 18*	*93*
Dry Soup Mixes	297 513	272 706	0 11	92	12 1	12 6	221 810	0 11	50 130	22 6	265 400	242 190	0 10	91
Instant Bouillon & Cubes	63 228	59 167	0 02	94	1 8	2 1	43 900	0 02	12 730	29 0	62 110	57 950	0 02	93

[16] Canned or chilled citrus sections.

[17] Full strength and concentrated juices in can. Non-carbonated. Includes aseptic pack juices and drinks.

[18] Chiefly tomato juice.

[19] Excludes frozen soups.

CONSUMER
EXPENDITURES STUDY

DRY GROCERY: FOOD

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from '83 to '84		Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
					Total[1]	Grocery[2]								
Canned Vegetables	**3,310,961**	**2,916,024**	**1.15**	**88**	**0.5**	**0.3**	**2,182,770**	**1.12**	**459,640**	**21.2**	**3,327,470**	**2,924,530**	**1.21**	**88**
Asparagus	91,714	80,432	0.03	88	6.2	7.3	61,410	0.03	14,740	24.0	86,380	74,960	0.03	87
Beans (Wax or Green)	372,941	330,139	0.13	89	2.4	2.7	243,850	0.13	58,520	24.0	364,200	321,460	0.13	88
Beans with Pork or Sauce[20]	429,878	392,112	0.15	91	0.7	0.8	289,650	0.15	57,930	20.0	426,890	389,000	0.16	91
Beets	74,983	66,852	0.03	89	1.7	1.8	49,370	0.03	11,750	23.8	73,730	65,670	0.03	89
Corn	595,143	527,345	0.21	89	1.9	1.6	389,540	0.20	76,740	19.7	606,670	535,920	0.22	88
Mushrooms	247,433	221,752	0.09	90	0.9	-0.8	163,800	0.08	38,500	23.5	249,680	223,540	0.09	90
Peas	335,219	297,459	0.12	89	2.2	-2.1	200,000	0.10	42,800	21.4	342,790	303,840	0.13	89
Sauerkraut	71,872	65,058	0.03	91	1.3	1.4	48,050	0.02	11,770	24.5	70,950	64,160	0.03	90
Tomatoes	388,355	332,533	0.13	86	1.1	1.2	272,430	0.14	63,200	23.2	384,130	328,590	0.14	86
Tomato Sauce	395,795	339,790	0.13	86	0.9	-0.8	251,000	0.13	46,180	18.4	399,390	342,530	0.14	86
Tomato Paste	201,820	173,148	0.07	86	6.5	-6.3	127,950	0.07	24,050	18.8	215,850	184,790	0.08	86
Tomato Puree	59,649	50,748	0.02	85	2.9	-2.8	37,490	0.02	6,970	18.6	61,430	52,210	0.02	85
Other Canned Vegetables	46,157	38,655	0.02	84	1.6	2.1	28,230	0.01	6,490	23.0	45,430	37,860	0.02	83
Condiments, Dressings, Spreads, Relishes	**6,466,295**	**5,176,751**	**2.04**	**80**	**5.2**	**5.6**	**3,804,200**	**1.97**	**892,840**	**23.5**	**6,146,510**	**4,900,050**	**2.03**	**80**
Condiments	2,028,725	1,606,863	0.63	79	1.7	2.1	1,172,380	0.61	323,810	27.6	1,995,080	1,573,960	0.65	79
Barbeque Sauce	303,612	267,668	0.11	88	7.2	7.9	196,520	0.10	43,230	22.0	283,220	248,070	0.10	88
Condiment Sauces[21]	106,972	83,582	0.03	78	8.8	9.4	61,020	0.03	14,220	23.3	98,320	76,400	0.03	78
Flavor Enhancers	22,905	20,460	0.01	89	3.5	3.7	14,940	0.01	3,880	26.0	22,130	19,730	0.01	89
Ketchup	574,014	451,624	0.18	79	0.7	0.6	325,600	0.17	54,050	16.6	578,060	454,350	0.19	79
Meat Tenderizers	35,939	29,311	0.01	82	3.9	4.2	21,400	0.01	5,930	27.7	34,590	28,130	0.01	81
Onion Flakes	41,347	35,713	0.01	86	0.7	0.8	26,070	0.01	10,300	39.5	41,060	35,430	0.01	86
Pepper	154,881	110,457	0.04	71	0.5	0.8	80,630	0.04	30,000	37.2	154,110	109,580	0.05	71
Prepared Mustard	153,157	117,855	0.05	77	2.2	3.4	96,820	0.05	22,270	23.0	149,860	113,980	0.05	76
Salt	139,340	114,161	0.04	82	2.6	2.8	84,340	0.04	20,660	24.5	143,060	117,450	0.05	82
Spices	496,558	376,037	0.15	76	1.2	1.4	265,040	0.14	119,270	45.0	490,670	370,840	0.15	76
Dressings, Spreads	2,174,736	1,817,839	0.72	84	7.4	7.7	1,366,370	0.71	256,950	18.8	2,024,160	1,688,310	0.70	83
Pourable Salad Dressings	781,103	679,999	0.27	87	6.8	7.1	498,950	0.26	131,720	26.4	731,370	634,920	0.26	87
Spoonable Salad Dressings	426,453	375,497	0.15	88	7.9	8.2	297,290	0.15	40,130	13.5	395,230	347,040	0.14	88
Mayonnaise	786,929	630,287	0.25	80	8.3	8.5	462,500	0.24	57,800	12.5	726,620	580,910	0.24	80
Sandwich Spreads	49,374	43,683	0.02	88	1.3	1.4	32,050	0.02	7,500	23.4	48,740	43,080	0.02	88
Vinegar	130,876	88,372	0.03	68	7.1	7.3	75,580	0.04	19,800	26.2	122,200	82,360	0.03	67
Relishes & Appetizers	1,149,260	773,804	0.31	67	1.4	1.6	588,100	0.30	177,280	30.1	1,132,900	763,190	0.32	67
Bottled Green Olives	153,844	128,122	0.05	83	2.1	1.7	104,180	0.05	37,000	35.5	150,680	125,980	0.05	84
Canned Ripe Olives	153,652	135,267	0.05	88	1.1	0.9	109,390	0.05	36,540	33.4	151,980	134,060	0.06	88
Pickled Cucumbers, Tomatoes, Peppers	737,804	422,595	0.17	57	1.5	1.6	310,080	0.16	87,440	28.2	726,900	415,940	0.17	57
Relishes & Mixed Pickles	103,960	87,820	0.03	84	0.6	0.7	64,450	0.03	16,300	25.3	103,340	87,210	0.04	84
Spaghetti Sauces	1,113,486	978,245	0.39	88	12.1	11.9	677,350	0.35	134,800	19.9	993,370	874,590	0.36	88
Meatless	962,166	858,825	0.34	89	12.1	11.8					858,310	768,180	0.32	89
With Meat	139,861	110,329	0.04	79	12.9	13.1					123,880	97,550	0.04	79
With Clams	11,460	9,090	.00	79	2.5	2.6					11,180	8,860	.00	79
Desserts	**632,244**	**555,251**	**0.22**	**88**	**5.0**	**5.4**	**424,830**	**0.22**	**97,500**	**23.0**	**601,970**	**526,830**	**0.22**	**88**
Packaged Gelatin[22]	235,162	215,488	0.08	92	13.2	13.6	167,010	0.09	35,070	21.0	207,740	189,690	0.08	91
Prepared Puddings[23]	286,630	243,563	0.10	85	0.8	0.9	184,750	0.10	42,120	22.8	284,430	241,460	0.10	85
Instant Pudding	*99,846*	*83,510*	*0.03*	*84*	*1.1*	*1.2*					98,760	*82,520*	*0.03*	84
Other Prepared Puddings	*186,784*	*160,053*	*0.06*	*86*	*0.6*	*0.7*					185,670	*158,940*	*0.07*	86
Dried Toppings	18,076	17,202	0.01	95	17.8	17.3	13,070	0.01	3,690	28.2	21,990	20,800	0.01	95
Ice Cream & Dessert Toppings	92,376	78,998	0.03	86	5.2	5.5	60,000	0.03	16,620	27.7	87,810	74,880	0.03	85
Dried Foods	**2,865,562**	**2,268,754**	**0.89**	**79**	**0.5**	**2.0**	**1,680,000**	**0.79**	**443,990**	**26.4**	**2,850,660**	**2,224,980**	**0.92**	**78**
Dried Vegetables & Fruits	1,791,092	1,312,184	0.52	73	1.5	-0.2	946,030	0.49	252,200	26.7	1,817,710	1,315,320	0.55	72
Dried Beans & Peas	450,309	228,590	0.09	51	6.6	-6.4	132,200	0.07	38,340	29.0	482,130	244,220	0.10	51
Fruits	579,665	435,778	0.17	75	2.5	-1.4	313,370	0.16	91,500	29.2	594,640	441,980	0.18	74
Apricots	*27,303*	*19,049*	*0.01*	*70*	*10.6*	*-10.4*					30,540	*21,260*	*0.01*	70
Dates	*38,923*	*31,082*	*0.01*	*80*	*4.9*	*6.7*					*37,010*	*29,130*	*0.01*	79
Figs	*8,683*	*6,185*	*.00*	*71*	*6.8*	*7.2*					*8,130*	*5,770*	*.00*	71
Raisins	*373,476*	*280,239*	*0.11*	*75*	*4.2*	*-2.6*					389,850	*287,720*	*0.12*	74
Prunes	*103,856*	*80,057*	*0.03*	*77*	*1.8*	*1.3*					102,020	*79,030*	*0.03*	77
Other Dried Fruits	*27,523*	*19,165*	*0.01*	*70*	*1.6*	*0.5*					27,090	*19,070*	*0.01*	70
Instant Mashed Potatoes	141,058	132,410	0.05	94	1.7	2.2	97,040	0.05	26,600	27.4	138,700	129,560	0.05	93
Other Instant Potatoes	50,710	46,548	0.02	92	1.4	1.9	34,120	0.02	10,060	29.5	50,010	45,680	0.02	91
Rice	569,349	468,858	0.18	82	3.1	3.3	369,300	0.19	85,700	23.2	552,230	453,880	0.19	82
Other Dried Foods	1,074,471	956,570	0.38	89	4.0	5.2	733,970	0.38	191,790	26.1	1,032,950	909,660	0.38	88
Cured Fish	197,673	126,404	0.05	64	0.5	0.6	96,650	0.05	27,450	28.4	196,890	125,650	0.05	64
Dry Gravy Mixes	64,253	61,207	0.02	95	3.1	3.9	44,860	0.02	15,030	33.5	62,200	58,910	0.02	95
Dry Dinner Mixes	563,462	541,706	0.21	96	6.4	7.8	400,550	0.21	98,130	24.5	529,570	502,510	0.21	95
Breading Mixes	100,369	84,204	0.03	84	2.9	2.6	61,710	0.03	16,800	27.2	97,540	82,070	0.03	84
Dry Stuffing Mixes	148,713	143,049	0.06	96	1.2	1.8	130,200	0.07	34,370	26.4	146,950	140,520	0.06	96

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[20] Includes baked beans.

[21] Excludes chili, seafood, cocktail and spaghetti sauces.

[22] Both flavored and unflavored.

[23] Includes corn starch puddings, tapioca, rennet.

CONSUMER
EXPENDITURES STUDY

DRY GROCERY: FOOD

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from '83 to '84 Total[1]	Percentage Change from '83 to '84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
Fats & Shortenings[24]	-1,991,752	1,603,593	0 63	81	5.5	6.0	1,216,551	0 63	208,260	17.1	1,888,630	1,512,780	0 63	80
Cooking & Salad Oils	1 228 351	996,068	0 39	81	8 1	8.3	776,010	0 40	143,560	18 5	1,136,310	919,730	0 38	81
Lard	150 511	64,831	0 03	43	4 2	- 4 8	47,121	0 02	15,080	32 0	157,110	68,100	0 03	43
Olive Oil	76 868	71,862	0 03	93	7 9	8 8	52 220	0 03	11,750	22 5	71,240	66,050	0 03	93
Shortening[25]	536 021	470 831	0 19	88	2 3	2 6	341,200	0 18	37,870	11 1	523,970	458,900	0 19	88
Jams, Jellies, Preserves	2,276,075	1,830,517	0 72	80	2 3	2.1	1,255,230	0 65	295,290	23 5	2,329,880	1,869,200	0 78	80
Citrus Marmalade	13 181	11,111	00	84	1 0	1 1	586 160	0 30	53,600	26 2	13,050	10,990	00	84
Fruit Butter	6 754	5 764	00	85	0 5	0 6					6,720	5,730	00	85
Jams Preserves	703 957	599 376	0 24	85	0 9	0 8					710,350	604,210	0 25	85
Jellies	281 332	238 929	0 09	85	0 6	-0 5					283,030	240,130	0 10	85
Honey	208 443	146 823	0 06	70	9 1	8 8	105 270	0 05	27,790	26 4	229,310	160,990	0 07	70
Peanut Butter	1 062 409	828 513	0 33	78	2 3	-2 2	563,800	0 29	113,900	20 2	1,087,420	847,150	0 35	78
Pasta	1,172,470	869,219	0 34	74	3 9	2 3	637,240	0 33	166,950	26 2	1,128,220	849,340	0 35	75
Macaroni	388 077	270 082	0 11	70	3 8	2 3					373,870	264,010	0 11	71
Noodles	281 874	201 650	0 08	72	2 9	1 5					273,930	198,670	0 08	73
Spaghetti	502 519	397 486	0 16	79	4 6	2 8					480,420	386,660	0 16	80
Prepared Drinks	9 369 854	7,458,829	2 94	80	2 5	2 3	5,426,250	2 81	846,250	15 6	9,139,530	7,294,410	3.03	80
Cocoa	324 254	286,759	0 11	88	2 9	3 2	206 500	0 10	50,590	24 5	315,150	277,860	0 12	88
Unsweetened Cocoa	*33 480*	*24 436*	*0 01*	*73*	*2 9*	*-2 8*					*34,480*	*25,140*	*0 01*	*73*
Prepared Sweet Cocoa	*290 774*	*262,323*	*0 10*	*90*	*3 6*	*3 6*					*280,670*	*252,720*	*0 10*	*90*
Coffee	6 499 449	4 848 707	1 91	75	2 8	2 3	3 531 520	1 83	374,760	10 6	6,322,560	4,738,660	1 97	75
Regular Coffee	*4 853 173*	*3 306 369*	*1 30*	*68*	*5 7*	*5 9*	*2,412 930*	*1 25*	*246,120*	*10 2*	*4,591,460*	*3,124,050*	*1 30*	*68*
Instant Coffee	*1 646 276*	*1,540 338*	*0 61*	*94*	*4 9*	*4 6*	*1 118 590*	*0 58*	*128,640*	*11 5*	*1,731,100*	*1,614,610*	*0 67*	*93*
Powdered Drink Mixes[26]	845 180	793 999	0 31	94	4 7	4 9	572 000	0 30	160,160	28 0	807,240	756,910	0 31	94
Dry Milk Powder[27]	152 556	142 438	0 06	93	8 9	8 4	103 040	0 05	17 520	17 0	167 460	155,500	0 06	93
Prepared Food Drinks[28]	134 982	126 911	0 05	94	7 9	-7 6	83 900	0 04	23,100	27 5	146,560	137,350	0 06	94
Tea	1 047 179	923 539	0 36	88	4 1	4 5	686 990	0 36	165,980	24 2	1,005,470	884,040	0 37	88
Bags & Loose Tea	*442 290*	*396 565*	*0 16*	*90*	*0 5*	*0 6*	*307 120*	*0 16*	*68,180*	*22 2*	*440,090*	*394,200*	*0 16*	*90*
Herb Tea	*132 531*	*93 322*	*0 04*	*70*	*0 7*	*0 9*	*68 980*	*0 04*	*14,760*	*21 4*	*131,610*	*92,490*	*0 04*	*70*
Ice Tea Mixes	*336,476*	*308,937*	*0 12*	*92*	*15 2*	*15 4*	*218 970*	*0 11*	*58,680*	*26 8*	*292,080*	*267,710*	*0 11*	*92*
Instant Tea	*135 881*	*124 714*	*0 05*	*92*	*4 1*	*3 8*	*91 920*	*0 05*	*24,350*	*26 5*	*141,690*	*129,640*	*0 05*	*91*
Breakfast Drinks	134 982	127 049	0 05	94	7 9	7 5	91 480	0 05	20 670	22 6	146,560	137,350	0 06	94
Coffee Creamers	231,272	209 428	0 08	91	1 2	1 3	150,820	0 08	33,480	22 2	228,530	206,740	0 09	90
Snacks	6 696,354	4,175,104	1 65	82	5 9	8 1	2,742,100	1 42	819,890	29 9	6,321,500	3,862,540	1 60	61
Corn Chips	1 012 356	752 101	0 30	74	8 3	9 5	524 730	0 27	152,170	29 0	934,770	686 850	0 28	73
Packaged Unpopped Popcorn	334 195	284 239	0 11	85	39 3	34 8	146 850	0 08	46,700	31 8	280 210	205 870	0 09	73
Popped Popcorn	299 264	219 663	0 09	73	6 8	6 7	120 190	0 06	37,740	31 4				
Pork Rinds	205 394	180 322	0 07	88	2 4	3 1	116 180	0 06	35,320	30 4	200,580	174,900	0 07	87
Potato Chips	2 928 994	1 654 444	0 65	56	4 3	7 7	1 096 000	0 57	323,320	29 5	2,808,240	1,536,160	0 64	55
Pretzels	279 595	250 259	0 10	90	2 8	3 4	200 760	0 10	63,440	31 6	271,980	242,030	0 10	89
Snack Nuts[29]	1 636 556	834 075	0 33	51	3 2	3 5	537 390	0 28	161,200	30 0	1,585,810	805,870	0 33	51
Soft Drinks	11,312,879	6,491,562	2 56	57	3 1	3.7	4,982,000	2 58	1,263,990	25 4	10,969,910	6,257,290	2 60	57
Bottled Soft Drinks	9 532 679	4 805 803	1 89	50	2 7	3 1	4,783 400	2 48	1,205,400	25 2	9,282,960	4,663,330	1 93	50
Dietetic	*698 938*	*552 397*	*0 22*	*79*	*6 5*	*6 7*					*656,280*	*517,710*	*0 21*	*79*
Other	*8 833 741*	*4 253 406*	*1 68*	*48*	*2 4*	*2 6*					*8 626,700*	*4,145,620*	*1 72*	*48*
Canned Soft Drinks	1 563 747	1 476 227	0 58	94	3 6	3 7					1,510,090	1,423,470	0 59	94
Dietetic	*582 107*	*531 946*	*0 21*	*91*	*6 1*	*6 3*					*548,640*	*500,420*	*0 21*	*91*
Other	*981 640*	*944 280*	*0 37*	*96*	*2 1*	*2 3*					*961,450*	*923,050*	*0 38*	*96*
Bottled Water	216 452	209 532	0 08	97	22 4	22 9	198 600	0 10	58,590	29 5	176,840	170,490	0 07	96
Sweeteners, Flavors	2,745,592	2,251,955	0 89	82	1 0	0.8	1,680,000	0 87	253,710	15 1	2,774,690	2,269,990	0 94	82
Flavoring Extracts	144 720	96,904	0 04	67	-3 4	-3 2	70 910	0 04	24,640	34 7	149,750	100,130	0 04	67
Vanilla Extract	*86 423*	*59 190*	*0 02*	*68*	*-3 6*	*-3.3*	*43 300*	*0 02*	*14,290*	*33 0*	*89,650*	*61,210*	*0 03*	*68*
Other Flavoring Extracts	*58 297*	*37 713*	*0 01*	*65*	*-3 0*	*-3.1*	*27 610*	*0 01*	*10,350*	*37 5*	*60,100*	*38,920*	*0 02*	*65*
Marshmallow Cream	11 597	10 383	00	90	4 1	2 8	7 420	00	1,930	26 0	11,140	10,100	00	91
Packaged Molasses	21 925	18 867	0 01	86	-2 9	-2 8	13 850	0 01	3,480	25 1	22,580	19,410	0 01	86
Sugar	1 908 108	1 609 408	0 63	84	-3 8	-3 6	1,185,930	0 61	128,080	10 8	1,983,480	1,669,510	0 59	84
Synthetic Sweeteners	258 145	217 069	0 09	84	19 7	21 2	162 430	0 08	42,900	26 4	215,660	179,100	0 07	83
Table Syrup	401 098	299 325	0 12	75	2 3	2 6	239 460	0 12	52,680	22 0	392,080	291,740	0 12	74
All Other Dry Grocery[30]	367,773	346,179	—	—	—	—	—	—	—	—	242,166	235,771	0.34	85
Duplication[31]	1,066,923	905,486	0 36	85	8.8	9.2	—	—	—	—	980,810	829,480	—	—
Total Dry Grocery—Food	116,533,983	72,021,165	28 39	82	3.7	4.0	51,810,071	26 83	11,489,080	22.2	112,403,448	69,230,471	28.72	62
Total Foods[32]	302 043,561	193,787,740	76 38	64	3.8	4.2	149,006,516	77 16	38,013,580	25.5	291,006,816	185,863,351	77.13	64

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24 Margarine included with dairy.

25 Vegetable shortening and shortening compounds.

26 Excludes "Breakfast Drinks" listed separately.

27 Nonfat dry milk solids in household size packages.

28 Includes chocolate syrup drinks, malted milk items and other items, but excludes chocolate syrup.

29 Includes bulk nuts.

30 Includes new products and products not classified elsewhere.

31 Infant formulas also listed under HBA.

32 Edibles for human consumption. Excludes pet foods.

— Not available

DRY GROCERY: NONFOOD

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from '83 to '84		Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
					Total[1]	Grocery[2]								
DRY GROCERY (NON-FOOD) Household Supplies	**12,987,573**	**9,802,780**	**3.86**	**75**	**3.1**	**3.5**	**7,048,470**	**3.65**	**1,603,620**	**22.8**	**12,591,490**	**9,468,610**	**3.93**	**73**
Home Canning Supplies	**115,027**	**93,241**	**0.04**	**81**	**9.8**	**8.6**	**77,240**	**0.04**	**27,030**	**35.0**	**104,800**	**85,890**	**0.04**	**82**
Caps, Lids, Bands	61,995	53,557	0.02	86	9.3	8.9					56,720	49,180	0.02	87
Jars	53,032	39,684	0.02	75	10.3	8.1					48,080	36,710	0.02	76
Bleaches	308,413	286,732	0.11	93	2.0	2.2	204,680	0.11	32,750	16.0	302,480	280,670	0.12	93
Liquid Bleach	*260,895*	*243,641*	*0.10*	*93*	*1.9*	*2.1*					*256,030*	*238,630*	*0.10*	*93*
Dry Bleach	*47,518*	*43,091*	*0.02*	*91*	*2.3*	*2.5*					*46,450*	*42,040*	*0.02*	*91*
Bluing	4,761	3,989	.00	84	2.6	2.8	2,750	0.00	730	26.5	4,640	3,880	.00	84
Fabric Softeners	602,175	555,174	0.22	92	6.2	6.4	413,590	0.21	93,060	22.5	567,020	521,780	0.22	92
Laundry Starch	85,827	77,712	0.03	91	5.5	5.7	54,850	0.03	15,360	28.0	81,320	73,550	0.03	90
Dry Starch	*3,255*	*2,904*	*.00*	*89*	*14.8*	*14.6*					*3,820*	*3,400*	*.00*	*89*
Liquid Starch	*14,103*	*13,121*	*0.01*	*93*	*5.8*	*5.9*					*13,330*	*12,390*	*0.01*	*93*
Spray Starch	*68,469*	*61,688*	*0.02*	*90*	*6.7*	*6.8*					*64,170*	*57,760*	*.02*	*90*
Soaps & Detergents	**5,709,548**	**5,175,584**	**2.04**	**91**	**0.1**	**2.2**	**3,862,100**	**2.00**	**704,230**	**18.2**	**5,702,800**	**5,063,300**	**2.10**	**89**
Cleansers (Scouring)	312,878	244,778	0.10	78	2.6	2.3	178,630	0.09	34,830	19.5	321,230	250,540	0.10	78
Laundry Bar Soap	5,177	4,100	.00	79	3.6	3.3	3,070	0.00	740	24.0	5,370	4,240	.00	79
Soap Flakes, Chips, Powders	44,563	42,013	0.02	94	5.5	5.8	30,660	0.02	5,060	16.5	42,240	39,710	0.02	94
Liquid Detergents	1,659,782	1,551,132	0.61	93	0.3	0.1	1,172,030	0.61	225,840	19.3	1,664,400	1,552,110	0.64	93
Heavy Duty	*531,064*	*493,119*	*0.19*	*93*	*4.8*	*5.1*	*399,870*	*0.21*	*66,000*	*16.5*	*506,740*	*469,190*	*0.19*	*93*
Other Liquid Detergents[33]	*1,128,719*	*1,058,013*	*0.42*	*94*	*2.5*	*2.3*	*772,160*	*0.40*	*159,840*	*20.7*	*1,157,660*	*1,082,920*	*0.45*	*94*
Other Detergents	2,402,215	2,278,870	0.90	95	1.7	2.0	1,707,610	0.88	275,960	16.2	2,360,940	2,234,770	0.93	95
Dishwasher Compounds	*424,392*	*373,705*	*0.15*	*88*	*2.3*	*2.5*	*292,730*	*0.15*	*60,900*	*20.8*	*414,850*	*364,590*	*0.15*	*88*
Other Dry Low Sudsing	*862,786*	*814,748*	*0.32*	*94*	*1.8*	*2.1*	*1,414,880*	*0.73*	*215,060*	*15.2*	*847,530*	*797,990*	*0.33*	*94*
Other Dry Detergents	*1,115,038*	*1,090,417*	*0.43*	*98*	*1.5*	*1.7*					*1,098,560*	*1,072,190*	*0.44*	*98*
Toilet Soaps & Detergents	1,284,932	1,054,692	0.42	82	7.6	7.4	718,820	0.37	149,500	20.8	1,194,590	981,930	0.41	82
Bath Detergents	*149,619*	*115,140*	*0.05*	*77*	*7.4*	*7.9*					*139,310*	*106,710*	*0.04*	*77*
Bath Soaps	*310,571*	*242,739*	*0.10*	*78*	*6.2*	*6.6*					*292,440*	*227,710*	*0.09*	*78*
Deodorant Soaps & Bars	*523,857*	*513,409*	*0.20*	*98*	*4.3*	*4.5*					*502,260*	*491,300*	*0.20*	*98*
Liquid Soaps	*177,619*	*113,128*	*0.04*	*64*	*21.2*	*23.8*					*146,550*	*91,380*	*0.04*	*62*
Water Softener Salt	123,266	70,276	0.03	57	8.1	8.4	51,280	0.03	12,300	24.0	114,030	64,830	0.03	57
Other Cleaners, Cleansers & Supplies	**2,829,663**	**1,802,520**	**0.71**	**64**	**5.3**	**5.0**	**1,293,850**	**0.67**	**359,530**	**27.8**	**2,687,740**	**1,717,400**	**0.71**	**64**
All-Purpose Cleaners (Liquid)	632,653	545,899	0.22	86	5.3	5.6	387,680	0.20	89,940	23.2	600,810	516,950	0.21	86
Cellulose Sponges	113,126	84,644	0.03	75	9.3	9.5	60,140	0.03	24,180	40.2	103,500	77,300	0.03	75
Drain Pipe Solvents	27,904	25,823	0.01	93	5.1	5.4	20,340	0.01	5,570	27.4	26,550	24,500	0.01	92
Household Ammonia	48,487	33,603	0.01	69	0.6	0.7	23,870	0.01	6,090	25.5	48,780	33,840	0.01	69
Household Brooms	148,112	98,545	0.04	67	1.6	5.3	78,580	0.04	31,800	40.5	145,780	104,060	0.04	71
Spot Cleaning Fluids	37,046	15,768	0.01	43	3.8	3.6	11,200	0.01	3,630	32.4	35,690	15,220	0.01	43
Household Disinfectants	252,129	189,912	0.07	75	5.3	5.1	134,940	0.07	35,350	26.2	239,420	180,700	0.07	75
Aerosol Disinfectants	*200,101*	*147,546*	*0.06*	*74*	*5.6*	*5.3*					*189,490*	*140,120*	*0.06*	*74*
Non-Aerosol Disinfectants	*52,027*	*42,366*	*0.02*	*81*	*4.2*	*4.4*					*49,930*	*40,580*	*0.02*	*81*
Household Deodorizers	296,894	167,459	0.07	56	5.1	5.4	118,960	0.06	32,600	27.4	282,430	158,860	0.07	56
Aerosol Room Deodorizers	*84,733*	*61,010*	*0.02*	*72*	*3.7*	*3.9*					*81,710*	*58,720*	*0.02*	*72*
Non-Aerosol Room Deodorizers	*212,161*	*106,449*	*0.04*	*50*	*5.7*	*6.3*					*200,720*	*100,140*	*0.04*	*50*
Rug Cleaners	73,002	52,861	0.02	72	7.8	8.1	37,550	0.02	10,700	28.5	67,720	48,900	0.02	72
Oven Cleaners	74,327	69,856	0.03	94	4.1	4.2	49,630	0.03	12,650	25.5	71,400	67,040	0.03	94
Steel Wool & Wire Sponges[34]	116,204	106,512	0.04	92	3.1	3.4	75,680	0.04	21,570	28.5	112,710	103,010	0.04	91
Toilet Bowl Cleaners	102,106	86,960	0.03	85	7.9	8.2	61,780	0.03	17,920	29.0	94,530	80,370	0.03	85
Vacuum Cleaner Bags	687,337	156,988	0.06	23	6.1	6.7	111,530	0.06	35,590	35.5	647,820	147,130	0.06	23
Wall & Floor Cleaners[35]	49,969	44,163	0.02	88	2.5	2.3	31,380	0.02	8,850	28.2	48,750	43,170	0.02	89
Window Cleaners	76,715	67,383	0.03	88	10.7	10.5	47,870	0.03	12,200	25.5	69,300	60,980	0.03	88
All Other Cleaners[36]	93,652	56,145	0.02	60	1.3	1.4	42,720	0.02	10,890	25.5	92,450	55,370	0.02	60
Paper, Plastic, Foil Products	**10,875,174**	**8,590,477**	**3.39**	**85**	**6.7**	**6.5**	**6,488,300**	**3.36**	**1,221,890**	**18.8**	**9,440,790**	**8,067,670**	**3.35**	**85**
Cleansing & Facial Tissues	814,968	724,118	0.29	89	8.0	8.8	588,620	0.30	108,900	18.5	754,600	665,550	0.28	88
Coffee Filters	72,848	68,058	0.03	93	6.8	7.5	50,560	0.03	13,150	26.0	68,210	63,310	0.03	93
Disposable Diapers	2,663,803	1,932,581	0.76	73	11.6	9.9	1,423,700	0.74	149,500	10.5	2,386,920	1,758,490	0.73	74
Freezer Paper	18,400	15,322	0.01	83	1.1	1.4	11,340	0.01	3,630	32.0	18,200	15,110	0.01	83
Paper Cups[37]	349,483	276,009	0.11	79	2.2	2.4	234,250	0.12	71,200	30.4	341,960	269,540	0.11	79
Paper Napkins	395,759	375,851	0.15	95	2.2	2.7	300,320	0.16	67,270	22.4	387,240	365,970	0.15	95
Paper Plates	489,474	392,745	0.15	80	4.9	5.5	293,170	0.15	86,500	29.5	466,610	372,270	0.15	80
Paper Towels	1,534,660	1,424,442	0.56	93	4.3	4.8	1,058,390	0.55	195,800	18.5	1,471,390	1,359,200	0.56	92
Pre-Moistened Wipes[38]	119,075	96,778	0.04	81	18.2	18.6	71,230	0.04	19,370	27.2	100,740	81,600	0.03	81
Sandwich Bags	7,591	6,943	.00	91	2.3	2.7	5,110	.00	1,500	29.5	7,420	6,760	.00	91
Toilet Paper	2,202,449	2,108,639	0.83	96	3.5	4.1	1,494,710	0.77	269,050	18.0	2,127,970	2,025,590	0.84	95
Waxed Paper	41,255	35,502	0.01	86	0.5	0.6	26,130	0.01	5,100	19.5	41,050	35,290	0.01	86
Other Paper Products[39]	143,465	42,283	0.02	29	3.9	4.3	33,000	0.02	8,900	27.0	138,080	40,540	0.02	29

[33] Includes dishwashing liquids.

[34] Includes soap cakes and pads. Excludes plastics.

[35] Chemical heavy duty household cleaners for walls, woodwork and floors. Excludes liquids.

[36] Includes borax, water softeners and similar items.

[37] Includes plastic and other non-paper disposables.

[38] Includes baby wipes.

[39] Excludes aluminum or plastic, which are listed separately below.

DRY GROCERY: NONFOOD

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro to Total	Percentage Change from '83 to '84 Total[1]	Percentage Change from '83 to '84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro to Total
Household Aluminum Foil	429,718	383,388	0.15	89	3.3	3.2	303,690	0.16	57,100	18.8	415,990	371,500	0.15	89
Plastic Film Wraps & Bags	792,226	707,819	0.28	89	10.9	11.1	594,080	0.31	164,920	27.8	714,410	636,950	0.26	89
Plastic Bags	*558,483*	*495,347*	*0.20*	*89*	*9.5*	*9.6*	*460,500*	*0.24*	*131,790*	*28.6*	*509,910*	*451,870*	*0.19*	*89*
Garbage Disposal Bags	320,739	283,205	0.11	88	8.6	8.9	284,260	0.15	83,850	29.5	295,340	260,060	0.11	88
Food and Other Bags	237,744	212,142	0.08	89	10.8	10.6	176,240	0.09	47,940	27.2	214,570	191,810	0.08	89
Plastic Film Wraps[40]	*233,744*	*212,472*	*0.08*	*91*	*14.3*	*14.8*	*133,580*	*0.07*	*33,130*	*24.8*	*204,500*	*185,080*	*0.08*	*91*
Pesticides	**406,565**	**279,327**	**0.11**	**69**	**5.4**	**5.8**	**193,190**	**0.10**	**62,800**	**32.5**	**385,700**	**266,080**	**0.11**	**69**
Aerosol	275,885	191,338	0.08	69	6.4	5.7					259,290	181,020	0.08	70
Liquids (Non-Aerosol)	52,862	37,516	0.01	71	4.1	4.5					50,780	35,900	0.01	71
Pastes, Solids, Strips	35,547	24,504	0.01	69	0.9	1.3					35,230	24,190	0.01	69
Personal Insect Repellants	42,272	25,969	0.01	61	4.4	4.0					40,490	24,970	0.01	62
Waxes & Polishes	**395,032**	**305,447**	**0.12**	**77**	**2.2**	**3.0**	**212,420**	**0.11**	**56,270**	**26.5**	**386,340**	**296,470**	**0.12**	**77**
Furniture Polish	237,074	182,942	0.07	77	5.1	6.3	126,220	0.07	32,820	26.0	225,570	172,100	0.07	76
Liquid Floor Wax	6,898	4,064	.00	59	−4.2	−3.7					7,200	4,220	.00	59
Paste Floor Wax	5,094	3,355	.00	66	−2.6	2.2	86,200	0.04	23,450	27.2	5,230	3,430	.00	66
Self-Polishing Floor Wax	145,967	115,086	0.05	79	1.6	−1.4					148,340	116,720	0.05	79
Other Household Supplies	**2,530,561**	**1,223,063**	**0.48**	**48**	**6.8**	**5.5**	**733,800**	**0.38**	**251,860**	**34.3**	**2,368,560**	**1,159,590**	**0.48**	**49**
Charcoal Briquets	354,028	309,156	0.12	87	1.4	1.8	175,490	0.09	41,060	23.4	349,140	303,690	0.13	87
Charcoal Lighter	124,428	89,544	0.04	72	0.8	1.1	59,730	0.03	13,230	26.6	123,440	88,570	0.04	72
Electric Christmas Bulbs & Sets	246,499	28,828	0.01	12	4.4	4.6	17,280	0.01	7,780	45.0	236,110	27,560	0.01	12
Electric Light Bulbs[41]	1,082,201	460,864	0.18	43	12.3	9.5	278,000	0.14	114,000	41.0	963,670	420,680	0.17	44
Fireplace Logs	66,162	43,603	0.02	66	1.6	1.9	38,560	0.02	10,990	28.5	65,120	42,790	0.02	66
Household Glue	23,001	3,174	.00	14	3.7	2.4	1,880	.00	720	38.1	22,180	3,100	.00	14
Household Tints & Dyes	46,496	4,234	.00	9	1.1	1.3	2,520	.00	1,060	42.2	45,990	4,150	.00	9
Matches	42,535	30,399	0.01	71	4.8	1.5	18,240	0.01	5,470	30.0	44,680	29,950	0.01	67
Shoe Polish	232,647	71,529	0.03	31	3.8	3.5	42,920	0.02	19,530	45.5	224,130	69,110	0.03	31
Gloves	148,712	102,092	0.04	69	10.6	10.6	61,200	0.03	26,620	43.5	134,400	92,290	0.04	69
Household Gloves	*61,108*	*22,814*	*0.01*	*37*	*14.2*	*14.7*					*53,510*	*19,890*	*0.01*	*37*
Rubber Gloves	*87,604*	*79,278*	*0.03*	*90*	*8.3*	*9.5*					*80,890*	*72,400*	*0.03*	*90*
Household Supplies n.c.e.	163,852	79,639	0.03	49	2.6	2.8	37,980	0.02	11,400	30.0	159,700	77,470	0.03	49
Pet Foods[42]	**5,708,003**	**5,270,363**	**2.08**	**92**	**3.7**	**4.1**	**3,784,850**	**1.96**	**811,570**	**21.4**	**5,503,680**	**5,062,820**	**2.10**	**92**
Canned Pet Food	1,884,703	1,801,852	0.71	96	3.5	4.1	1,304,700	0.68	276,510	21.2	1,820,320	1,731,070	0.72	95
Canned Cat Food	*980,731*	*939,841*	*0.37*	*96*	*6.4*	*7.3*	*692,330*	*0.36*	*146,080*	*21.1*	*921,740*	*875,900*	*0.36*	*95*
Canned Dog Food	*903,971*	*862,011*	*0.34*	*95*	*0.6*	*0.8*	*612,370*	*0.32*	*130,430*	*21.3*	*898,580*	*855,170*	*0.35*	*95*
Dry Pet Food	2,657,840	2,452,506	0.97	92	4.5	4.9	1,739,330	0.90	351,300	20.2	2,544,120	2,337,710	0.97	92
Dry Cat Food	*722,450*	*667,840*	*0.26*	*92*	*5.2*	*6.3*	*473,500*	*0.24*	*103,200*	*21.8*	*686,740*	*628,260*	*0.26*	*91*
Dry Dog Food	*1,935,390*	*1,784,666*	*0.70*	*92*	*4.2*	*4.4*	*1,265,830*	*0.66*	*248,100*	*19.6*	*1,857,380*	*1,709,450*	*0.71*	*92*
Semi-Moist Pet Food	506,300	466,471	0.18	92	2.1	1.6	351,900	0.18	75,340	21.4	517,310	474,170	0.20	92
Semi-Moist Cat Food	*285,745*	*259,989*	*0.10*	*91*	*8.2*	*9.4*	*184,330*	*0.09*	*39,820*	*21.6*	*264,090*	*237,650*	*0.10*	*90*
Semi-Moist Dog Food	*220,555*	*206,482*	*0.08*	*94*	*12.9*	*12.7*	*167,570*	*0.09*	*35,520*	*21.2*	*253,220*	*236,520*	*0.10*	*93*
Pet Snacks	313,799	297,376	0.12	95	1.8	2.1	210,630	0.11	55,820	26.5	308,250	291,260	0.12	94
Cat Litter	345,362	252,157	0.10	73	10.1	10.3	178,290	0.09	52,600	29.5	313,680	228,610	0.09	73
Tobacco Products	**23,630,247**	**10,385,388**	**4.09**	**44**	**4.3**	**4.9**	**7,338,130**	**3.80**	**1,076,010**	**14.7**	**22,658,040**	**9,900,850**	**4.11**	**44**
Cigarettes	21,856,537	9,817,675	3.87	45	4.5	5.1	7,221,000	3.74	1,047,000	14.5	20,906,760	9,341,270	3.88	45
Filter-Tipped Cigarettes	*20,456,715*	*9,817,675*	*3.87*	*48*	*4.7*	*5.1*					*19,538,410*	*9,341,270*	*3.88*	*48*
Other Cigarettes	*1,399,822*				*2.3*						*1,368,350*			
Cigars	703,585	88,004	0.03	13	1.1	1.2	45,570	0.02	11,120	24.4	695,930	86,960	0.04	12
Tobacco & Snuff	1,070,125	479,709	0.19	45	1.4	1.5	71,560	0.04	17,890	25.0	1,055,350	472,620	0.20	45
Other Groceries n.c.e.	704,158	638,029	—	—	—	—	—	—	—	—	662,374	601,277		
Total Dry Grocery (Non-Food)	**53,105,156**	**34,687,044**	**13.67**	**65**	**4.4**	**4.7**	**24,659,650**	**12.77**	**4,713,090**	**19.1**	**50,856,374**	**33,127,227**	**13.74**	**65**

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[40] Consumer size packages for household use only.

[41] 200 watt and under, including non-residential use. Grocery store sales estimated at 70% of residential.

[42] Pet accessories listed under General Merchandise.

n.c.e. Not Classified elsewhere

— Not Available

CONSUMER EXPENDITURES STUDY

HEALTH & BEAUTY AIDS

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro [2] to Total	Percentage Change from '83 to '84 Total[1]	Percentage Change from '83 to '84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro [2] to Total
HEALTH & BEAUTY AIDS														
Dieting Aids	**457 045**	**223,950**	**0 09**	**49**	**14 5**	**21.4**	**64,670**	**0 03**	**22,000**	**34 0**	**399,140**	**184,470**	**0 08**	**48**
Diet Supplements	95 114	62 974	0 02	66	19 4	21 9					79 660	51 660	0 02	65
Metered Calorie Meals[43]	152 840	107 171	0 04	70	32 8	35 3					115 090	79 210	0 03	69
Reducing Preparations	209 091	53 814	0 02	26	2 3	0 4					204 390	53 600	0 02	26
Cosmetics	**4,249 531**	**529,295**	**0 21**	**12**	**6 7**	**7.1**	**407,170**	**0 21**	**161,320**	**39 6**	**3,981,400**	**494,200**	**0 21**	**12**
Eye Makeup Products	2 329 554	452 630	0 18	19	6 8	7 8	332 770	0 17	131 440	39 5	2 180 510	420 770	0 17	19
Eye Shadow	*1 057 907*	*202 601*	*0 08*	*19*	*6 5*	*7 1*					*993 340*	*189 170*	*0 08*	*19*
Eyebrow Pencil	*203 644*	*39 973*	*0 02*	*20*	*7 6*	*8 8*					*189 260*	*36 740*	*0 02*	*19*
Mascara	*840 394*	*165 778*	*0 07*	*20*	*7 7*	*8 6*					*780 310*	*152 650*	*0 06*	*20*
Other Eye Preparations & Accessories[44]	*227 610*	*44 278*	*0 02*	*19*	*4 6*	*4 9*					*217 600*	*42 210*	*0 02*	*19*
Lipstick	1 183 309	40 730	0 02	3	8 8	6 4	31 750	0 02	12 700	40 0	1 087 600	38 280	0 02	4
Makeup Bases	597 762	29 713	0 01	5	3 6	[illegible]	37 860	0 02	15 220	40 2	576 840	29 020	0 01	5
Cake	*62 102*	*3 245*	*00*	*5*	*5 4*	*1 4*					*58 920*	*3 200*	*00*	*5*
Cream	*181 183*	*8 362*	*00*	*5*	*2 7*	*2 1*					*176 420*	*8 190*	*00*	*5*
Lotion	*354 477*	*18 106*	*0 01*	*5*	*3 8*	*2 7*					*341 500*	*17 630*	*0 01*	*5*
Pressed Cake Powder & Blush	138 906	6 222	00	4	1 8	1 5	4 790	00	1 960	41 0	136 450	6 130	00	4
Feminine Hygiene Products	**1 433 656**	**849,912**	**0 34**	**59**	**7 2**	**5.3**	**745,830**	**0 38**	**151,870**	**20 4**	**1,337,800**	**807,000**	**0 33**	**60**
Douches	51 953	18 780	0 01	36	6 0	6 1	19 130	0 01	5 450	28 5	49 000	17 700	0 01	36
Liquid Douches	*31 664*	*10 383*	*00*	*33*	*7 3*	*7 8*					*29 510*	*9 650*	*00*	*33*
Powder Douches	*20 289*	*8 396*	*00*	*41*	*4 1*	*4 3*					*19 490*	*8 050*	*00*	*41*
Sanitary Napkins	969 089	593 081	0 23	61	7 6	5 3	550 600	0 29	111 200	20 2	900 640	563 230	0 23	63
Tampons	412 614	238 052	0 09	58	6 3	5 3	176 100	0 09	35 220	20 0	[illegible] 160	226 070	0 09	58
Hair Products[45]	**3 720 731**	**1,462 900**	**0 58**	**39**	**2 7**	**3.6**	**1 333 350**	**0 69**	**403,990**	**30 3**	**3,622,400**	**1,411,590**	**0 59**	**39**
Coloring Preparations	575 387	84 193	0 03	15	1 6	0 6	75 650	0 04	19 500	25 8	566 180	83 730	0 03	15
Color Rinses	*90 147*	*16 162*	*0 01*	*18*	*0 7*	*1 2*					*89 520*	*15 970*	*0 01*	*18*
Tints & Dyes	*485 240*	*68 031*	*0 03*	*14*	*1 8*	*0 4*					*476 660*	*67 760*	*0 03*	*14*
Cream Rinses	150 871	83 361	0 03	55	0 3	1 4	82 740	0 04	21 900	26 5	150 420	82 210	0 03	55
Dandruff Rinses	16 078	5 754	00	36	0 3	0 6					16 030	5 720	00	36
Men's Hair Dressings	123 802	60 682	0 02	49	6 1	6 3	55 630	0 03	16 410	29 5	116 700	57 080	0 02	49
Men's Hair Spray	*40 153*	*17 420*	*0 01*	*43*	*8 2*	*7 6*					*37 110*	*16 190*	*0 01*	*44*
Other Men's Hair Dressings	*83 649*	*43 262*	*0 02*	*52*	*5 1*	*5 8*					*79 590*	*40 890*	*0 02*	*51*
Shampoos	1 186 980	727 644	0 29	61	1 5	3 7	672 180	0 35	184 850	27 5	1 169 710	701 610	0 29	60
Baby Shampoo	*80 681*	*57 134*	*0 02*	*71*	*4 1*	*0 5*					*84 130*	*56 850*	*0 02*	*68*
Color Shampoo	*14 562*	*3 501*	*00*	*24*	*16 5*	*-14 2*					*17 440*	*4 080*	*00*	*23*
Medicated Shampoo	*284 318*	*152 988*	*0 06*	*54*	*1 8*	*0 3*					*289 530*	*152 530*	*0 06*	*53*
Other Shampoo	*807 419*	*514 022*	*0 20*	*64*	*3 7*	*5 3*					*778 610*	*488 150*	*0 20*	*63*
Barrettes	77 816	10 040	00	13	2 9	0 3	167 150	0 09	86 920	52 0	80 140	10 010	00	12
Bobby Pins	41 554	10 758	00	26	0 3	1 2					41 430	10 630	00	26
Combs	151 483	16 869	0 01	11	4 5	6 9					144 960	15 780	0 01	11
Curlers & Rollers	145 781	28 146	0 01	19	0 4	1 1					145 200	27 840	0 01	19
Hair Brushes	298 293	98 599	0 04	33	5 8	7 7					281 940	91 550	0 04	32
Hair Nets	37 889	4 323	00	11	0 5	2 2					37 700	4 230	00	11
Pin Curl Clips	29 082	9 811	00	34	4 2	2 3					27 910	9 590	00	34
Pony Tailers	77 494	8 730	00	11	6 2	4 3					72 970	8 370	00	11
Home Permanent Kits Refills	145 474	27 649	0 01	19	3 1	0 8	24 480	0 01	6 980	28 5	141 100	27 430	0 01	19
Waveset Preparations	28 858	8 073	00	28	21 [illegible]	22 5	6 260	00	1 810	29 0	23 830	6 590	00	28
Women's Hair Dressings & Conditioners	268 259	120 499	0 05	45	3 9	2 3	104 240	0 05	27 100	26 0	258 190	117 790	0 05	46
Women's Hair Spray	320 119	146 112	0 06	46	5 8	4 5	135 770	0 07	35 840	26 4	302 570	139 820	0 06	46
Other Hair Dressings	45 511	11 656	00	26	0 2	0 4	9 250	0 01	2 680	29 0	45 420	11 610	00	26
Health Aids	**1 002 168**	**480 762**	**0 18**	**46**	**2 1**	**3.8**	**377 830**	**0 20**	**123,580**	**32 7**	**981,520**	**444,780**	**0 18**	**45**
Baby Oils & Lotions	109 050	86 424	0 03	79	2 8	4 1	70 890	0 04	20 840	29 4	106 080	83 020	0 03	78
Baby Pants	89 529	14 844	0 01	17	14 4	-13 6	12 170	0 01	4 870	40 0	104 590	17 180	0 01	16
Baby Powder	89 778	43 707	0 02	49	2 3	0 8	35 830	0 02	9 240	25 8	87 760	43 360	0 02	49
Cotton Swabs	81 699	49 227	0 02	60	7 4	9 2	40 350	0 02	12 220	30 3	76 070	45 080	0 02	59
Diaper Rash Products	30 603	16 709	0 01	55	1 2	4 3	13 700	0 01	4 040	29 5	30 240	16 020	0 01	53
Fever Thermometers	30 278	10 083	00	33	4 3	4 7	8 220	00	3 700	45 0	29 030	9 630	00	33
First Aid Products	475 391	209 424	0 08	44	3 2	4 7	172 910	0 09	60 170	34 8	460 800	200 060	0 08	43
Adhesive Bandages	*178 290*	*91 221*	*0 04*	*51*	*4 3*	*5 8*					*170 940*	*86 220*	*0 04*	*50*
Adhesive Tape[46]	*69 401*	*39 778*	*0 02*	*57*	*7 1*	*9 4*					*64 800*	*36 360*	*0 02*	*56*
Cotton Balls	*69 353*	*25 147*	*0 01*	*36*	*2 2*	*2 6*					*67 860*	*24 510*	*0 01*	*36*
First Aid Kits	*38 357*	*20 192*	*0 01*	*53*	*2 4*	*1 6*					*39 300*	*20 520*	*0 01*	*52*
Gauze Bandages	*41 392*	*9 964*	*00*	*24*	*1 6*	*2 4*					*40 740*	*9 730*	*00*	*24*
Gauze Dressings	*47 824*	*10 271*	*00*	*21*	*2 1*	*2 5*					*46 840*	*10 020*	*00*	*21*
Other First Aid Cotton	*30 775*	*12 852*	*0 01*	*42*	*1 5*	*1 2*					*30 320*	*12 700*	*0 01*	*42*
Nipples & Pacifiers	29 543	12 134	00	41	10 4	3 8	9 940	0 01	3 530	35 5	26 760	11 690	00	44
Nursing Bottles—Plastic & Glass	32 604	5 450	00	17	16 4	4 2	4 470	00	1 580	35 4	28 010	5 230	00	19
Disposable Bottle Liners	33 692	12 762	0 01	38	4 7	5 4	9 350	00	3 370	36 0	32 180	13 490	0 01	42

[43] Does not include frozen foods

[44] Includes false eyelashes adhesives, liners, brushes, tweezers, etc. Excludes lotions and washes

[45] Excludes products sold for professional use

[46] Plastic and fabric rolls and spools only

HEALTH & BEAUTY AIDS

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from '83 to '84 Total[1]	Percentage Change from '83 to '84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
Infant Formulas	**1,066,923**	**905,486**	**0.36**	**85**	**8.8**	**9.2**	**642,900**	**0.33**	**55,930**	**8.7**	**980,810**	**829,480**	**0.34**	**85**
Hypoallergenic Formulas[47]	247,358	211,185	0.08	85	11.8	12.1					221,250	188,390	0.08	85
Routine Infant Formulas	819,565	694,300	0.27	85	7.9	8.3					759,560	641,090	0.27	84
Nail Care Products	**478,202**	**85,308**	**0.03**	**18**	**3.8**	**5.8**	**67,390**	**0.03**	**27,630**	**41.0**	**461,670**	**80,790**	**0.03**	**17**
Manicure Implements	142,490	37,198	0.01	26	7.8	9.6					132,180	33,940	0.01	26
Nail Polish & Enamel	281,510	36,562	0.01	13	2.2	3.4					275,450	35,360	0.01	13
Nail Polish Remover	54,202	11,547	.00	21	0.3	0.5					54,040	11,490	.00	21
Oral Hygiene Products	**2,078,029**	**1,122,747**	**0.44**	**54**	**2.9**	**3.5**	**977,000**	**0.50**	**213,810**	**21.9**	**2,018,130**	**1,084,950**	**0.45**	**54**
Denture Products	285,736	118,304	0.05	41	2.6	3.2	100,340	0.05	27,320	27.2	278,500	114,590	0.05	41
Denture Adhesives	*132,369*	*48,358*	*0.02*	*37*	*3.3*	*5.4*					*128,140*	*45,880*	*0.02*	*36*
Denture Cleansers	*153,367*	*69,947*	*0.03*	*46*	*2.0*	*1.8*					*150,360*	*68,710*	*0.03*	*46*
Mouthwashes & Gargles	457,149	237,744	0.09	52	2.7	4.1	206,190	0.10	45,360	22.0	445,130	228,380	0.09	51
Breath Fresheners[48]	18,482	9,583	.00	52	4.3	3.6	7,870	.00	2,640	33.5	17,720	9,250	.00	52
Toothbrushes	272,960	88,516	0.03	32	6.6	7.5	72,780	0.04	24,380	33.5	256,060	82,340	0.03	32
Toothpaste & Powder	984,428	644,834	0.25	66	2.1	2.8	572,570	0.30	107,640	18.8	964,180	627,270	0.26	65
Dental Floss	57,275	23,767	0.01	41	1.3	2.8	17,250	0.01	6,470	37.5	56,540	23,120	0.01	41
Packaged Medications	**5,801,527**	**1,935,604**	**0.76**	**33**	**6.4**	**7.8**	**1,677,650**	**0.87**	**425,960**	**25.4**	**5,451,730**	**1,796,360**	**0.75**	**33**
Acne Preparations	172,409	31,953	0.01	19	3.4	4.9	26,620	0.01	8,520	32.0	166,740	30,460	0.01	18
Aerosol Antiseptics	53,316	10,050	.00	19	0.2	0.4					53,210	10,010	.00	19
Athlete's Foot Medications	74,714	18,403	0.01	25	2.7	4.8					72,750	17,560	0.01	24
Burn Remedies	47,307	13,430	0.01	28	1.3	0.6	53,060	0.03	18,840	35.5	46,700	13,350	0.01	29
External Antiseptics	20,664	4,189	.00	20	0.7	0.5					20,810	4,210	.00	20
Foot Salves, Ointments	50,229	11,678	.00	23	0.8	0.5					49,830	11,620	.00	23
Poison Ivy Remedies	33,097	7,870	.00	24	3.3	0.9					32,040	7,800	.00	24
Antacids	371,711	184,782	0.07	50	0.3	0.8	168,590	0.09	43,830	26.0	370,570	183,380	0.08	49
Effervescent Antacids	*160,364*	*80,836*	*0.03*	*50*	*4.8*	*5.3*					*168,450*	*85,360*	*0.04*	*51*
Liquid Antacids	*99,129*	*42,498*	*0.02*	*43*	*5.3*	*7.4*					*94,140*	*39,570*	*0.02*	*42*
Powder Antacids	*4,870*	*2,048*	*.00*	*42*	*0.2*	*0.4*					*4,860*	*2,040*	*.00*	*42*
Tablets, Pills, Gum, Lozenges	*107,348*	*59,400*	*0.02*	*55*	*4.1*	*5.3*					*101,120*	*56,410*	*0.02*	*55*
Cold Tablets, Capsules	540,783	280,724	0.11	52	10.4	12.7	233,470	0.12	58,830	25.2	489,840	249,090	0.10	51
Cough Medications	1,121,416	216,239	0.09	19	6.9	7.5	191,670	0.10	52,700	27.5	1,049,080	201,100	0.08	19
Cough Drops, Lozenges, Troches	*322,126*	*73,836*	*0.03*	*23*	*5.0*	*6.0*					*306,780*	*69,640*	*0.03*	*23*
Cough Drops	195,135	65,962	0.03	34	5.2	6.1					185,490	62,170	0.03	34
Lozenges, Troches	126,991	7,873	.00	6	4.7	5.4					121,290	7,470	.00	6
Salves, Ointments[49]	*54,956*	*19,967*	*0.01*	*36*	*3.3*	*3.4*					*53,200*	*19,310*	*0.01*	*36*
Syrups, Elixirs, Expectorants	*522,826*	*105,562*	*0.04*	*20*	*9.3*	*9.8*					*478,340*	*96,140*	*0.04*	*20*
Other Cough & Cold Remedies[50]	*221,509*	*16,875*	*0.01*	*8*	*5.1*	*5.4*					*210,760*	*16,010*	*0.01*	*8*
Nasal Sprays	157,548	19,231	0.01	12	6.2	6.6	17,440	0.01	4,920	28.2	148,350	18,040	0.01	12
Nose Drops	10,258	1,116	.00	11	5.1	5.3					9,760	1,060	.00	11
Analgesics	1,899,250	827,266	0.33	44	7.7	9.0	702,100	0.36	157,690	22.5	1,763,000	758,930	0.31	43
Internal Analgesics[51]	*1,770,341*	*789,781*	*0.31*	*45*	*8.0*	*9.2*	*670,600*	*0.35*	*148,870*	*22.2*	*1,638,690*	*723,500*	*0.30*	*44*
Arthritic	82,253	26,161	0.01	32	8.8	13.2					75,600	23,110	0.01	31
Extra Strength	811,565	390,159	0.15	48	14.5	14.8					708,790	339,860	0.14	48
Menstrual Pain	52,696	23,880	0.01	45	5.9	6.8					49,760	22,360	0.01	45
Pediatric	89,933	37,104	0.01	41	7.4	5.9					97,120	39,430	0.02	41
Regular Strength	591,186	252,314	0.10	43	2.4	3.2					577,330	244,490	0.10	42
Sinus	142,709	60,163	0.02	42	9.7	10.9					130,090	54,250	0.02	42
External Analgesics	*128,909*	*37,485*	*0.01*	*29*	*3.7*	*5.8*	*31,590*	*0.02*	*8,820*	*28.0*	*124,310*	*35,430*	*0.01*	*29*
Salves, Ointments, Balms	128,909	37,485	0.01	29	3.7	5.8					124,310	35,430	0.01	29
Diarrhea Remedies	103,015	53,392	0.02	52	9.3	9.5	49,950	0.03	13,700	27.4	94,250	48,760	0.02	52
Hemorrhoidal Medications	160,472	44,919	0.02	28	2.0	2.7	41,090	0.02	11,100	27.0	157,380	43,730	0.02	28
Hemorrhoidal Suppositories	*94,308*	*26,912*	*0.01*	*29*	*1.8*	*2.6*					*92,640*	*26,230*	*0.01*	*28*
Hemorrhoidal Ointments	*66,164*	*18,008*	*0.01*	*27*	*2.2*	*2.9*					*64,740*	*17,500*	*0.01*	*27*
Laxatives	501,861	112,200	0.04	22	0.4	-0.1	95,420	0.05	27,500	28.8	503,820	112,300	0.05	22
Tablets, Pills, Gums	*141,431*	*46,709*	*0.02*	*33*	*1.8*	*2.5*					*138,930*	*45,570*	*0.02*	*33*
Milk of Magnesia Liquids	*51,960*	*16,969*	*0.01*	*33*	*3.6*	*3.2*					*53,900*	*17,530*	*0.01*	*33*
Milk of Magnesia Tablets	*10,873*	*5,622*	*.00*	*52*	*0.3*	*0.4*					*10,840*	*5,600*	*.00*	*52*
Mineral Oil	*16,130*	*10,881*	*.00*	*67*	*6.6*	*-5.3*					*17,270*	*11,490*	*.00*	*67*
Mineral Oil Emulsions	*24,476*				*5.5*						*25,900*			
Saline Preparations	*10,699*	*1,235*	*.00*	*12*	*5.4*	*-5.7*					*11,310*	*1,310*	*.00*	*12*
Bulk-Type Laxatives	*119,684*	*16,451*	*0.01*	*14*	*0.6*	*0.8*					*118,970*	*16,320*	*0.01*	*14*
Stool Softeners	*92,112*	*6,749*	*.00*	*7*	*1.4*	*1.8*					*90,840*	*6,630*	*.00*	*7*
Other Liquid Laxatives	*34,497*	*7,583*	*.00*	*22*	*3.8*	*-3.4*					*35,860*	*7,850*	*.00*	*22*
Eye Lotions, Washes	102,528	47,454	0.02	46	6.8	13.5	56,350	0.03	15,100	26.8	96,000	41,810	0.02	44
Contact Lens Solutions	329,121	28,310	0.01	9	17.8	19.5	23,600	0.01	8,020	34.0	279,390	23,690	0.01	8
Sleeping Aids (non-Rx)	51,826	22,398	0.01	43	7.5	15.1	18,290	0.01	5,210	28.5	48,210	19,460	0.01	40
Personal Cleanliness Products	**158,144**	**33,822**	**0.01**	**21**	**2.7**	**3.3**	**26,710**	**0.01**	**8,390**	**31.4**	**154,000**	**32,750**	**0.01**	**21**
Bath Salts, Tablets, Oils, Bubble Bath	97,191	26,245	0.01	27	3.7	3.9	20,590	0.01	6,630	32.2	93,710	25,270	0.01	27
Bubble Bath	*46,937*	*16,783*	*0.01*	*36*	*5.5*	*4.7*					*44,490*	*16,030*	*0.01*	*36*
Other Salts, Oils, Tablets	*50,254*	*9,462*	*.00*	*19*	*2.1*	*2.4*					*49,220*	*9,240*	*.00*	*19*
Talcum, Body Powder	60,953	7,577	.00	12	1.1	1.3	6,120	.00	1,760	28.8	60,290	7,480	.00	12

47 Includes soy isolate formulas. 48 Liquids and sprays only. 49 Excludes analgesics. 50 Includes antihistamines, room decongestants, inhaler tubes and other inhalants. 51 Includes non-aspirin compounds.

CONSUMER
EXPENDITURES STUDY

HEALTH & BEAUTY AIDS

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from 83 to 84 Total[1]	Percentage Change from 83 to 84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
Personal Deodorants, Antiperspirants	**1,855,392**	**569.675**	**0.22**	**54**	**6.2**	**7.3**	**509.440**	**0.26**	**131.430**	**25.8**	**993.780**	**530.970**	**0.22**	**53**
Stick Deodorants	367 622	222.598	0 09	61	10 5	10 9					332 690	200 720	0 08	60
Roll-On Deodorants	319 256	144 314	0 06	45	5 7	8 1					302 040	133 500	0 06	44
Feminine Sprays	7 500	3 608	00	48	-4 7	-4 3					7 870	3 770	00	48
Other Aerosols (Including Powder)	361 013	199 155	0 08	55	2 8	3 2					351 180	192 980	0 08	55
Shaving Products	**1,660,110**	**553.156**	**0.22**	**33**	**4.8**	**1.6**	**436.910**	**0.23**	**112.150**	**25.7**	**1,583.570**	**544.340**	**0.23**	**34**
After Shave Lotions	295 975	93 052	0 04	31	9 6	4 6	74 050	0 04	21.840	29 5	270 050	88 960	0 04	33
Depilatories	24 538	8.092	00	33	1 9	2 3	6 430	00	1.930	30 0	24 080	7.910	00	33
Pre-Shave Products	25 522	10 433	00	41	5 2	5 7	8 300	00	2.500	30 2	24 260	9 870	00	41
Razor Blades[52]	645 869	301.056	0 12	47	1 3	0 6	237 200	0 12	56.900	24 0	637 580	299 260	0 12	47
Razors	39 951	13.855	0 01	35	-4 4	-5 3	10 530	0 01	2.870	27 3	41 790	14 630	0 01	35
Shaving Cream	234 394	103.337	0 04	44	3 1	1 8	81 450	0 04	20.520	25 2	227 420	101 510	0 04	45
Aerosol Shaving Cream	*229 573*	*102.289*	*0 04*	*45*	*3 1*	*1 8*					*222 670*	*100 480*	*0 04*	*45*
Non-Aerosol Shaving Cream	*4 821*	*1.049*	*00*	*22*	*1 5*	*1 8*					*4 750*	*1 030*	*00*	*22*
Men's Cologne	393 871	23 332	0 01	6	9 9	5 1	18 950	0 01	5.590	29 5	358 390	22 200	0 01	6
Skin Care Products	**1,521,791**	**366.633**	**0.14**	**24**	**3.6**	**6.4**	**290.760**	**0.15**	**81.540**	**28.0**	**1,468.390**	**344.600**	**0.14**	**23**
Face Cream	680 208	136 568	0 05	20	0 7	0 9					675.480	135 350	0 06	20
Face Lotions & Astringents	113 060	12.581	00	11	1 1	1 3	231 420	0 11	65.950	28 5	111 830	12 420	0 01	11
Hand & Body Lotions	328 555	131.151	0 05	40	9 1	12 2					301.150	116 890	0 05	39
Hand Creams	24 624	5 919	00	24	0 3	0 5					24.550	5 890	00	24
Lip Protectors	33 863	9.525	00	28	10 7	11 4	6 850	00	1.860	27 2	30.590	8 550	00	28
Liquid Facial Cleansers	105 461	29 544	0 01	28	1 2	2 3	23 300	0 01	6.290	27 0	104 210	28 880	0 01	28
Suntan/Sunscreen Products	236 021	41 344	0 02	18	7 0	12 9	29 190	0 02	7.440	25 5	220 580	36 620	0 02	17
Vitamins & Tonics[53]	**1,358,804**	**491.220**	**0 19**	**36**	**4 4**	**2 8**	**482.000**	**0 25**	**147.000**	**30.5**	**1,293.960**	**477.840**	**0 20**	**37**
Other Health & Beauty Aids	**1 738 316**	**741.286**	**0 29**	**43**	**64 5**	**38 1**	**150.000**	**0 08**	**41.250**	**27 5**	**1 040.920**	**536.843**	**0 22**	**51**
Health & Beauty Aids (non-Rx)	**27 758 467**	**10.331.686**	**4 07**	**37**	**7 7**	**7 6**	**8.110.410**	**4 20**	**2 107.830**	**26.0**	**25.770.220**	**9.600.943**	**3 96**	**37**
Prescriptions	**19 612 483**	**1 577.145**	**0 62**	**8**	**10 4**	**11 5**	**1 577 145**	**0 82**	—	—	**17 764 930**	**1 414 480**	**0 59**	**8**
Total HBA & Prescriptions	**47 380 950**	**11 908 831**	**4 69**	**25**	**8 8**	**8 1**	**9.687 555**	**5 02**	—	—	**43 543 150**	**11 015 423**	**4 57**	**23**

CONSUMER
EXPENDITURES STUDY

GENERAL MERCHANDISE

(add 000 to all dollar figures)	1984										1983			
	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total	Percentage Change from 83 to 84 Total[1]	Percentage Change from 83 to 84 Grocery[2]	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value[1] of Total Domestic Consumption	Amount Spent in Grocery Stores[2]	% of Total Store	% Gro[2] to Total
GENERAL MERCHANDISE														
Auto Supplies[54]	**1,940,136**	**375,338**	**0.15**	**19**	**8.1**	**-6.2**	**305,900**	**0.16**	**90,200**	**29.5**	**1,794,960**	**400,230**	**0.17**	**22**
Antifreeze	472,212	88,550	0.03	19	17 7	-9 3					401,200	97,630	0 04	24
Automobile Polish	145,175	37,576	0 01	26	3 6	3 8					140,130	36,200	0 02	26
Automotive Additives	151,868	26,715	0 01	18	-5 9	-5 2					161,390	28,180	0 01	17
Motor Oil	1,170,881	222,497	0 09	19	7 2	-6 6					1,092,240	238,220	0 10	22
Disposable Cigarette Lighters	**282,835**	**114,945**	**0.05**	**41**	**2.7**	**4.8**	**93,010**	**0.05**	**37,250**	**40.0**	**275,300**	**100,000**	**0.05**	**40**
Flashlights & Batteries	**3,043,732**	**465,738**	**0.18**	**15**	**8.9**	**10.3**	**414,070**	**0.21**	**166,000**	**40.0**	**2,794,210**	**422,280**	**0.18**	**15**
Flashlights	304,646	30,664	0 01	10	9 2	4 8					278,980	29,260	0 01	10
Batteries	2,739,085	435,073	0.17	16	8 9	10 7					2,515,230	393,020	0 16	16
Garden Seed Packets[55]	**127,186**	**63,761**	**0.03**	**50**	**-7.2**	**-6.7**	**51,430**	**0.03**	**24,430**	**47.5**	**137,020**	**68,340**	**0.03**	**50**
Greeting Cards	**3,321,891**	**363,933**	**0.14**	**11**	**5.4**	**17.9**	**352,500**	**0.18**	**170,900**	**48.5**	**3,150,940**	**308,730**	**0.13**	**10**

[52] Includes disposable razors

[53] Total consumption excludes doctors' prescriptions and sales at equivalent retail prices to hospitals.

[54] For non-commercial vehicles only.

[55] Flower and vegetable seeds. Packets only.

CONSUMER
EXPENDITURES STUDY

GENERAL MERCHANDISE

CONTINUED

(add 000 to all dollar figures)	1984										1983			
	Value of Total Domestic Consumption	Amount Spent in Grocery Stores	% of Total Store	% Gro to Total	Percentage Change from 83 to 84 Total	Percentage Change from 83 to 84 Grocery	Amount Spent in Supermarkets	% of Total Supermarket	$ Margin	% Margin	Value of Total Domestic Consumption	Amount Spent in Grocery Stores	% of Total Store	% Gro to Total
Housewares	3,632,883	318,400	0 13	9	3 2	3 1	2,670,000	1 38	1,134,750	42 5	3,521,170	308,770	0 13	9
Bakeware	1 448 349	113 093	0 04	8	3 6	4 9					1 398 020	107 810	0 04	8
Barbeque Grills	561 381	3 855	00	1	2 8	0 4					546 090	3 840	00	1
Beverageware	421 581	64 555	0 03	15	2 9	1 2					409 700	63 790	0 03	16
Cutlery	475 469	44 077	0 02	9	3 5	4 2					459 390	42 300	0 02	9
Food Preparation Glassware	443 184	58 447	0 02	13	2 3	1 7					433 220	57 470	0 02	13
Ornamental & Novelty Glassware	155 560	6 987	00	4	3 7	2 9					150 010	6 790	00	5
Tableware	127 360	27 386	0 01	22	2 1	2 3					124 740	26 770	0 01	21
Other Housewares	nd	3,018,795	1 19	nd	nd	4 8					nd	2,080,530	1 20	nd
Magazines[57] & Newspapers[58]	8,971,680	1,319,320	0 52	15	5 2	5 6	1,051,140	0 54	315,340	30 0	8,529,030	1,248,800	0 52	15
Children's Story Books	378 867	66 312	0 03	18	4 9	6 8					361 170	62 090	0 03	17
Coloring Books	171 453	21 207	0 01	12	12 2	10 9					152 810	19 140	0 01	13
Comics	82 576	24 077	0 01	29	5 3	5 6					78 420	22 800	0 01	29
Magazines	2 038 286	1 019 188	0 40	50	3 7	5 2					1 965 560	968 810	0 40	49
Newspapers	4 819 995	57 818	0 02	1	5 4	5 7					4 573 050	54 700	0 02	1
Paperback Books	1 480 503	130 718	0 05	9	5 9	7 8					1 398 020	121 260	0 05	9
Men's Hosiery	1,331,646	50,580	0 02	4	9 3	10 6	37,730	0 02	15,540	41 2	1,218,340	45,740	0 02	4
Men's & Boys' Underwear	nd	93,723	0 04	nd	nd	5 2	69,540	0 04	24,000	34 5	nd	89,090	0 04	nd
Pet Accessories	1,518,153	405,002	0 16	27	1 0	1 0	394,860	0 20	157,940	40 0	1,583,530	400,910	0 17	27
Bird Food	36 837	20 087	0 01	55	1 9	3 7					36 150	19 370	0 01	54
Pet Grooming Aids	61 203	12 807	0 01	21	1 7	2 7					60 180	12 470	0 01	21
Feeding Bowls	11 480	3 006	00	26	2 5	3 3					11 200	2 910	00	26
Flea Collars	241 894	159 377	0 06	66	3 2	1 1					249 890	161 150	0 07	64
Other Pet Accessories[59]	1 166 740	209 725	0 08	18	1 8	2 3					1 146 110	205 010	0 09	18
Photo Supplies & Processing	5,548,881	819,983	0 32	15	7 9	7 4	698,640	0 36	157,200	22 5	5,140,610	763,640	0 32	15
Film[60]	2 150 037	550 193	0 22	26	8 3	9 2					1 985 260	503 840	0 21	25
Processing	3 220 855	226 641	0 09	7	-9 5	8 8					2 941 420	208 310	0 09	7
Flash Bulbs & Cubes	177 990	43 149	0 02	24	16 8	16 2					213 930	51 490	0 02	24
Playing Cards	201,559	26,894	0 01	13	9 4	5 8	15,540	0 01	6,210	40 0	184,240	25,420	0 01	14
Records & Tapes	2,170,123	192,530	0 08	9	13 2	13 5	144,370	0 07	59,190	41 0	1,917,070	169,630	0 07	9
Shoe Laces[61]	55,356	29,938	0 01	54	5 4	3 2	12,320	0 01	3,700	30 0	52,520	29,010	0 01	55
Stationery	591,990	124,547	0 05	21	2 4	5 8	105,260	0 05	46,840	44 5	578,270	118,590	0 05	21
Looseleaf Fillers	166 443	16 710	0 01	10	2 8	4 7					161 910	15 960	0 01	10
Notebooks	92 878	16 705	0 01	18	4 2	4 8					96 950	15 940	0 01	16
Packaged Paper Envelopes	78 413	22 824	0 01	29	2 1	4 6					76 800	21 820	0 01	28
Writing Tablets Pads	254 255	68 308	0 03	27	4 8	5 3					242 610	64 870	0 03	27
Sunglasses	929,590	68,400	0 03	7	2 1	4 3	52,670	0 03	27,390	52 0	910,470	65,580	0 03	7
Toys[62]	9,601,862	211,974	0 08	2	8 7	6 6	168,270	0 08	64,900	38 5	8,833,360	198,850	0 08	2
Vacuum Bottles & Jugs	326,235	44,202	0 02	14	7 4	11 8	35,340	0 02	13,070	37 0	303,790	39,810	0 02	13
Vacuum Bottles	217 536	26 015	0 01	12	8 2	13 8					201 050	22 860	0 01	11
Vacuum Jugs	108 699	18 187	0 01	17	5 8	7 3					102 740	16 950	0 01	16
Women's Hosiery	3,943,600	726,829	0 29	18	12 6	9 5	580,350	0 30	246,650	42 5	3,502,870	663,750	0 28	19
Panty Hose	3 794 693	718 656	0 28	19	13 4	9 7					3 346 290	655 110	0 27	20
Stockings	148 908	8 173	00	5	4 9	5 4					156 580	8 640	00	6
Writing Implements	831,140	94,854	0 04	11	4 3	4 4	68,310	0 04	30,400	44 5	796,720	90,830	0 04	11
Ballpoint & Fountain Pens	362 403	47 754	0 02	13	3 9	5 3					348 800	45 350	0 02	13
Ballpoint Refills	57 472	5 146	00	9	2 3	1 7					56 180	5 060	00	9
Broad Tip Markers	77 060	5 505	00	7	14 4	7 1					67 360	5 140	00	8
Fine Line Porous Pens	227 399	27 920	0 01	12	2 9	3 6					220 990	26 950	0 01	12
Mechanical Pencils	36 551	5 263	00	14	5 7	2 2					34 580	5 150	00	15
Woodcased Pencils	70 255	3 266	00	5	2 1	2 7					68 810	3 180	00	5
General Merchandise n.c.e.[63]	nd	4 390 690	—	nd	—	—	2 430 470	1 26	850 660	35 0	nd	2,534,789	—	—
Total General Merchandise	nd	13 320 385	5 25	nd	—	21 3	9 751 800	5 05	3 642 070	37 4	nd	10,983,999	4 56	—
Total HBA, Prescriptions, General Merchandise	nd	25 229 216	9 94	nd	—	14 7	19 439 355	10 06	—	—	nd	21,999,422	9 13	—
GRAND TOTAL*	nd	253 704 000	100 00	nd	—	5 3	193 105 521	100 00	48 476 570	25 3	nd	241,820,000	100 00	—

*Margin based on total excluding Prescriptions

[56] Machine-made only

[57] Newsstand sales of weekly and monthly periodicals, digest size books, children's books, children's coloring books, pocket-size books

[58] Spending for newspapers in all outlets. Includes newsstand sales plus home deliveries and mail subscriptions

[59] Excludes pet foods (listed under Dry Grocery—Non-Food), but includes other pet accessories not listed

[60] Excludes movie film

[61] Dress, work and athletic shoes and boots

[62] Excludes sporting goods and apparatus

[63] Not classified elsewhere

— Not Available

CONSUMER
EXPENDITURES
STUDY

AUTOMOTIVE SUPPLIES

Most supermarket retailers stayed out of the fast lane in automotive supplies last year. Some manufacturers say that those with ample space are missing out on good sales opportunities.

There's plenty of *vroom* to move in auto supplies, but most supermarkets, rather than accelerating their sales, preferred to stay out of the fast lane last year.

Most supermarkets are missing an opportunity to increase their share of the market, manufacturers say. They point to the continued proliferation of the super store, with a greater selling space and one-stop shopping concept, and the increasing number of male grocery shoppers as two factors in the equation.

Yet while the total auto supplies market grew 8.1 percent in 1984 on sales of $1.94 billion, supermarkets saw their total skid 6.2 percent on sales of $306 million, down from '83's $326 million, according to the 1985 SUPERMARKET BUSINESS Consumer Expenditures Study.

Sales gains

With the exception of supermarkets, aftermarket retailers experienced a 14 to 15 percent gain in sales of chemicals, waxes, wiper blades and accessories in 1984, according to Steve Barbone, director of trade association activities for the Motor and Equipment Manufacturers Association.

All categories except additives showed sales gains in other retail outlets, yet only waxes and polishes increased in sales at supermarkets.

"It could be either the market share was taken by other outlets, or supermarkets decided to cut back on their shelf space," Barbone says. "Outside competition could be a part of the problem. There's been a big increase in recent years of automotive retail outlets."

Barbone notes that 61 percent of motor oil is bought by do-it-yourselfers, and it is perhaps in this category that supermarket sales could have the most significant sales gains. And the recent introduction of plastic, funnel-topped containers may hasten that growth. Retailers can clean up with the new packaging precisely because their customers and help don't have to.

Seepage problem

"I don't want my lettuce to sop up oil at the checkout counter," says Bernie Henderson, a spokesman for Quaker State, in reference to the tendency of older, composite cans to leak.

Since the new plastic cans don't have the seepage problems, it's safer to put them near food, he contends. Quaker State, the first manufacturer to replace its entire oil line with the new cans, has gained six percent in market share, Henderson says, and he attributes the popularity of the products to their cleanliness and resealability.

Quaker State hopes to expand its sales this year with

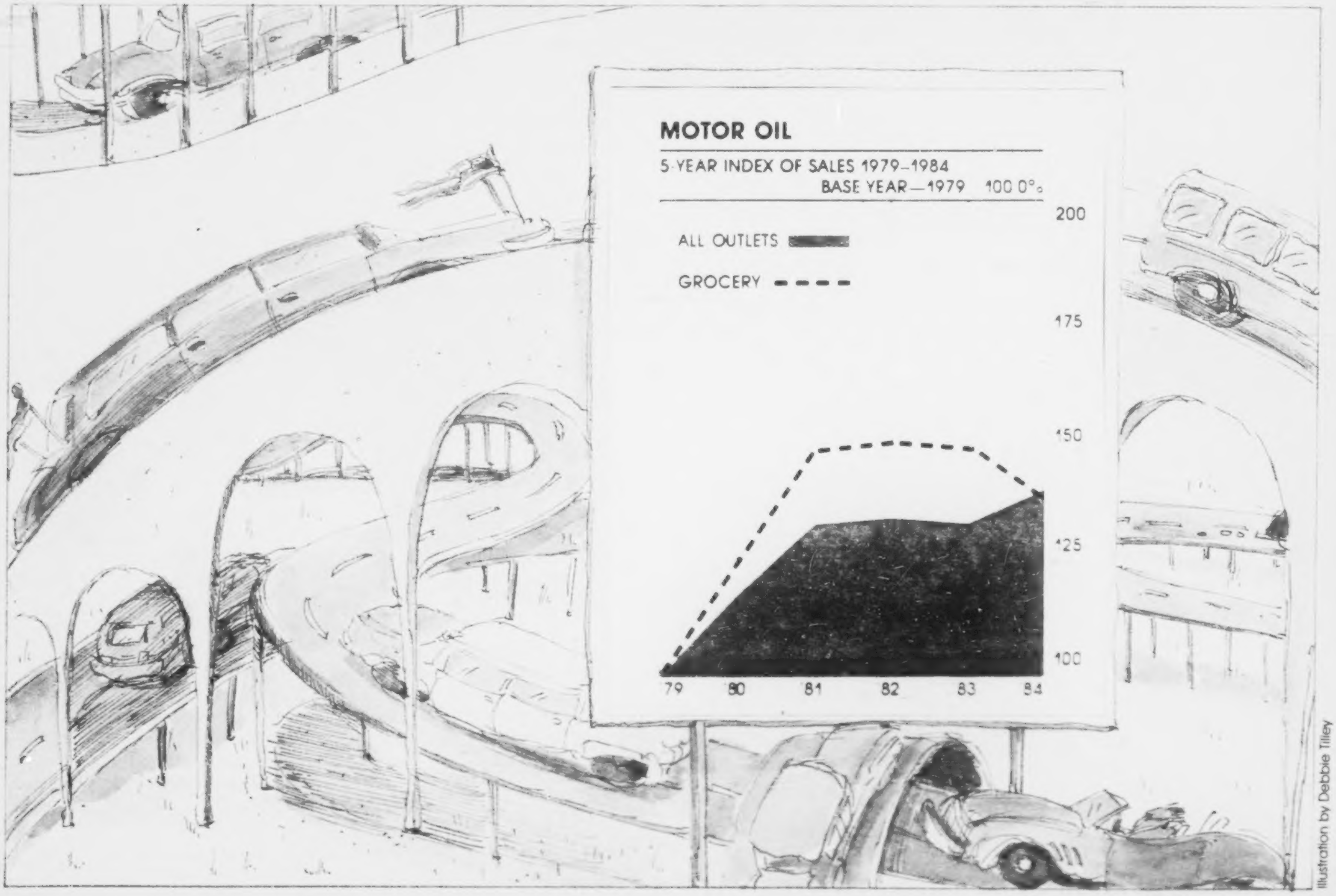

Illustration by Debbie Tilley

Often, automotive product shelf space management studies suggest a reduction in the number of brands of a given item.

its PLAN-Q-GRAM, a variation on the conventional planogram that was developed in small chains and is now being tested by The Kroger Co. (Cincinnati, Ohio). The system lets retailers know the optimum sales mix of each product line in the category rather than simply giving planogram data for the section as a whole. It calculates the most efficient selection by using data on turns and profit per individual item.

Often, these shelf space management studies suggest a reduction in the number of brands of a given item. In one of the early market tests, the PLAN-Q-GRAM showed that a grocer would be better off reducing the number of brands of oil filters in his store from six or seven to two: Quaker State (surprise), and Fram, because it was and is the No. 1 seller in the nation.

"That shows we're unbiased about recommending No. 1," Henderson says. It's too early to determine the results, even from the tests, but he expects Quaker State's planogram will be offered to a variety of supermarkets.

With reservations

While Quaker State is enthusiastic about expanding sales of motor oil and its other products in supermarkets, Valvoline is not. "It is a relatively small segment of the market. We'll take the business, but it's not an area of business for tremendous growth potential," says Jim Butler, a spokesman for Ashland Oil, Valvoline's parent company.

Joe Smith, automotive buyer for Mass Merchandisers of Harrison, Ark., the automotive supplier for supermarkets in 35 states, reports that he's encouraged by the potential for growth in car supplies at supermarkets. Polishes and waxes were the only category to see gains in supermarkets last year, up 3.8 percent, but Smith says that growth for these items was lower than in previous years. He adds that wax manufacturers are at a loss for an explanation of that slowdown.

The summer months have been good times for sales promotions of auto products at Mass Merchandisers. Smith says the company ran ads for grocers for Triple Wax by Turtle Wax on Memorial Day and the 4th of July that were successful. The rebate coupons offered instore by wax companies have also added sales in supermarkets.

Although it has market penetration primarily in the Northeast, Southeast and Southwest, Amalie Refining Co., a division of Witco Chemical Corp., does not intend to let supermarket sales pass it by. The company has just begun distributing its line of motor oil in a new plastic, funnel-topped container, named the "FUN-L-FIL," which refers to the package's unique extended, ribbed neck, which the company claims provides an even flow when poured and also prevents spills. The bottle's rectangular shape makes handling easier and takes up 32 percent less shelf space, the company adds.

"We are strongest supermarket-wise in Texas," says Don Wylie, manager of advertising and promotions for Amalie. "Sales there have been very good, and we're striving to establish ourselves in other markets." The company enjoys a good reputation in auto supply houses in the Northeast, Wylie notes, and hopes to parlay that success into increased supermarket sales.

The benefits of the package

"We feel very strongly that this package is the most attractive and useful package that has come out," he continues. "Housewives doing the supermarket shopping and single-person household shoppers can really see the benefits of the package."

Burmah-Castrol Inc., marketer of Castrol products, is also counting on increasing its supermarket share, but through a promotion that began in August and runs through November. "The Castrol Money-Back 12 Pack" is unusual in that it offers the consumer $45 in rebates for 16 automotive supply products made by *other* manufacturers. Since the booklet is packaged in a 12-package case of motor oil, the promotion will run only in supermarkets large enough to carry case displays of auto supplies.

"We're still aggressively pursuing the supermarket business," says Steve Ilovichny, sales control manager at Castrol. He estimates that the company's sales there have increased 10 percent over the last year, but admits that few chains have the space or the willingness to put cases of motor oil on display. For the majority, Castrol markets its line with individual can displays.

"In all honesty, the growth there will probably remain static," he continues. "The real growth came a few years ago. Most of the major supermarkets are handling auto supplies already, and I don't think we're going to see an increase in space in the supermarkets." Castrol is banking on its eventual shift to plastic funnel cans to increase its supermarket presence, and has also moved from a 24-pack case to a more manageable 12-pack.

Ilovichny sees some manufacturers' enchantment with rebates as having a deleterious effect on sales, and hopes the practice will subside. "It destroys the marketplace to have this misleading of the consumer. But retailers like it, and that's what draws the customers.

"It's misleading in that the customer sees these big signs that say, 'Oil—49 cents with rebate,' but when the customer gets to the checkout he realizes that that's the price *after* he mails in the coupon. It gives the consumer an artificial value of what the oil costs, and we're trying to make it so the retailers can make money and not have to lowball the price of oil."

A spokesman for Mobil Oil Corp. notes his company has a much smaller market share than Quaker State to begin with, and the company's problems with gaining a larger supermarket presence are compounded with the chains' reluctance to accept oil company's planograms. But he adds that Mobil's sales have improved in the last year through a continuous price reduction.

Involvement is low-key

And what of the supermarkets? Retailers who agreed to talk say their involvement in the category remains, for the most part, low-key. Sure, the Safeways of the world market and merchandise private label auto supplies, but for every Safeway there is a Dominick's Finer Foods, Inc. (Northlake, Ill.), which sells auto supplies and accessories in only 34 of its 81 stores, in sections ranging from four to eight feet.

"New stores have more room for nonfoods and general merchandise, so we have added the products there," says a Dominick's spokesman.

Then there is Food Lion, Inc.

Continued on page 183

CONSUMER
EXPENDITURES
STUDY

BABY NEEDS

A healthy number of babies needing to be clothed and fed has kept the sales figures for baby needs good. Most retailers feel, however, that manufacturers provide too little ad or promotional support.

Baby products, both food and nonfood, must rank as the supermarket industry's most predictable category. What is remarkable is that the fortunes of supermarket chains and manufacturers of baby needs seem almost totally determined by tiny, bald people, most of whom can neither walk to a supermarket store or voice their preferences for food, clothing or supplies.

Baby product sales, and manufacturer marketing attitudes, appear to be in direct proportion to the number of babies that need feeding and caring, according to supermarket buyers across the country. To a lesser extent current accepted medical attitudes toward such matters as breast feeding and the proper age for the commencement of solid foods play a role in sales, but for the most part supermarket shelf space expands and contracts with the rising and falling volume of babies. At present, buyers say, there are a healthy number of babies to be fed and cared for.

Buying patterns among parents tend to be very conservative, however, and there is little competition in the industry, with the exception of disposable diapers. Gerber remains number one by a mile despite Heinz's recent attempt to crack the market with a line of instant foods.

Little ad support

According to supermarket representatives, baby food manufacturers seem to take the attitude that if there are babies out there, someone will have to buy the product, and consequently they provide little advertising or promotional support.

"Over the last three decades the baby boom meant lots of shelf space for baby products. Then there was a decline in the number of babies. Five years ago we started expanding some of our departments because demand has increased again," said Bill Vitulli, a vice president at A&P (Montvale, N.J.). Vitulli is optimistic about future sales of baby products in the company's 1,090 stores.

"We see the growth trend continuing, particularly in the health and beauty product area. These products are now competitively priced and it is consistent with the trends towards one-stop shopping," he said.

In regards to Heinz's new line of instant foods the A&P representative says it is too early to tell what will happen.

A spokesman for Shop-Rite, another major chain for the east coast, also says it is too early to be sure but is doubtful whether consumers will flock to Heinz. The new line has not measured up to the company's hopes in the East, at least in Shop-Rite's 190 stores, although

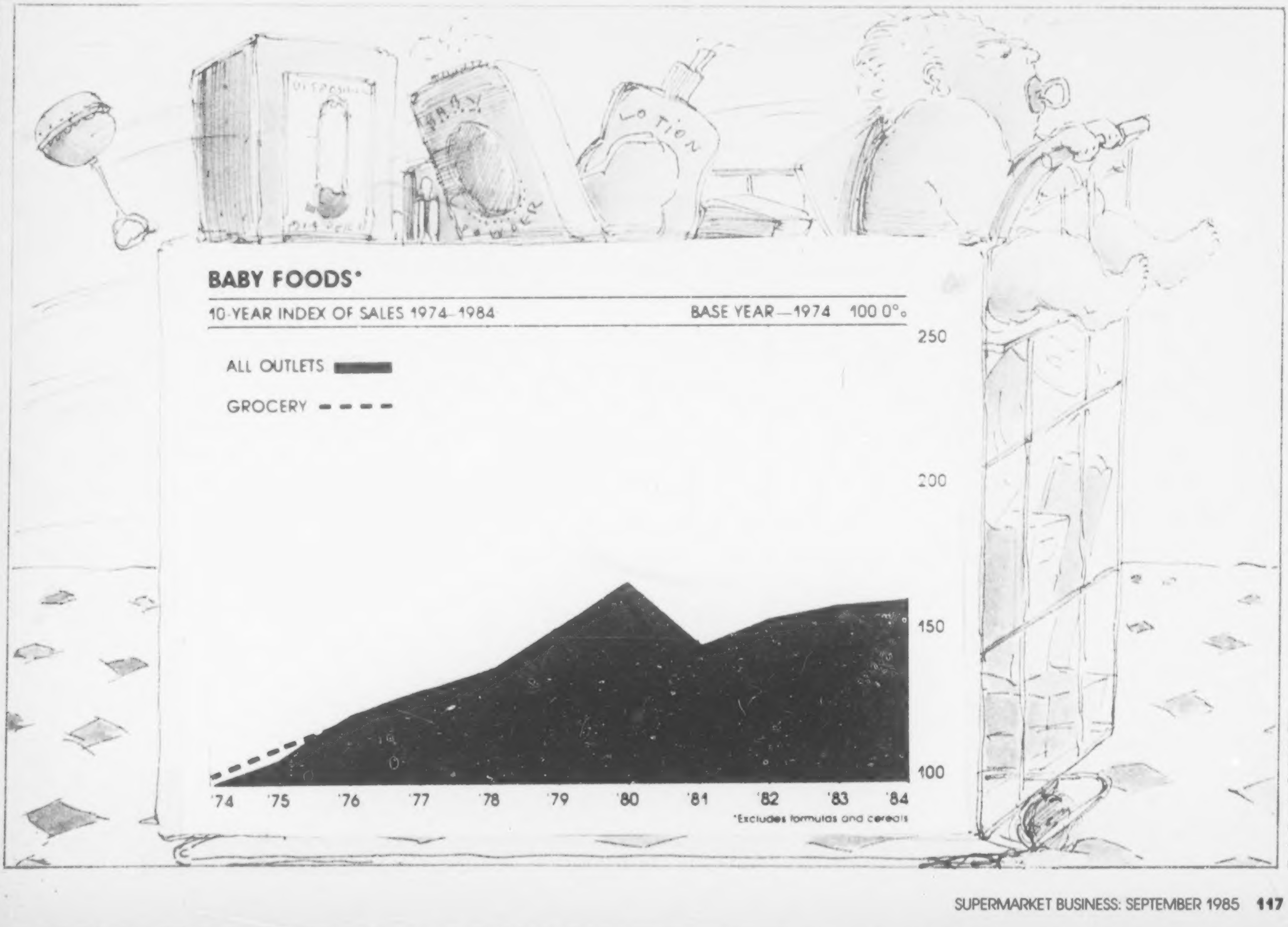

Illustration by Debbie Tilley

Gerber has responded to a trend towards extending the length of time a baby will consume baby foods with its line of chunky foods for toddlers.

it has done better in Western states.

"Gerber is the leader and that's always going to be the case," said John Watson, a buyer for Harris-Teeter Super Markets, based in Charlotte, N.C. While shelf space is not expanding in the baby departments of his company's stores, Watson said sales are good across the board. "People are buying it all," he commented. Heinz, however, has not caught on here either.

Farther west the story is the same. "Gerber is number one and will be hard to unseat," said Ron Lyne, buyer/merchandiser for Dillon Companies (Hutchinson, Kan.), which operates more than 500 stores, both supermarket and convenience. Consumption patterns have changed little, Lyne said, which may account for the difficulty Heinz is having. "Sales of the Heinz Instant have been barely fair," he said, noting that the concept is contrary to all public feeding ideas. People don't want powdered baby foods, he said.

Dillon operates stores in Arizona, Arkansas, California, Colorado, Iowa, Kansas, Louisiana, Missouri, Nebraska, Oklahoma, Utah and Wyoming.

Hy-Vee Food Stores (Chariton, Iowa), with 122 midwestern outlets, has seen the same buying patterns. "The market is growing a little but on the whole things are pretty stable, for food and nonfood items," said Jim Adams, a company buyer.

Nonfood baby products have experienced somewhat more movement, according to many supermarket buyers. This is perhaps due to higher promotional expenditures on the part of manufacturers in comparison to what is spent on advertising baby foods, they say. ShopRite, for example, like A&P, looks for the nonfoods area to remain strong. Good sales are reflected in the additional space allotted to such brands as Johnson & Johnson, Mennen and Playtex in the company's newer stores. The total baby category, according to company representatives, has been one of growth, a growth that started substantially five years ago.

Advertising and promotional support from manufacturers for baby foods has been virtually non-existent, say supermarket buyers, but none seem too surprised. It is a fixed and captive market, they believe, and much of the manufacturers' promotional budgets may be going to other sources.

"There is little promotion other than what we do ourselves," said Vitulli of A&P.

"Advertising? Forget that. If you have a baby, it has to be fed. There's no need for advertising or promotional support," added John Watson, of Harris-Teeter.

"There is no advertising support. It may be that the focus of manufacturer advertising spending is on hospitals rather than supermarkets," commented Dillon Companies' Lyne.

Comfortable, perhaps, with its position as leader, Gerber Products, based in Fremont, Mich., has no major breakthroughs planned for the coming months. The company now offers 168 products in a variety of juices, cereals and jarred meats, vegetables, fruits and

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TEETHING PAIN MEDICINE
SAFETY SEALED TUBE TIP
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Orajel is the only line that's formulated to give customized treatment for every kind of minor mouth pain.

Heavily promoted on TV and in Print

Continuous high impact consumer and professional advertising on national television and in print make the Orajel line turn over fast.

Orajel—the top selling line

desserts, which represent a 70 percent market share, according to Gerber spokesman John Whitlock.

"We don't have anything really new," he said. "We will continue, as we have in the past, to offer the finest quality baby foods."

Cyclical buying patterns

Buying patterns in the baby food market tend to be cyclical, according to Whitlock, depending on how the accepted methods of child rearing change with time. "Breast feeding has a tremendous impact. For a while doctors recommended a delay in feeding solid foods until after six months. Now the recommended start is between three-and-a half months and six months," he said. That, of course, means greater consumption of baby food products.

Gerber has also responded to a trend towards extending the length of time a baby will consume baby foods with its line of chunky foods for toddlers, according to Whitlock.

Recently, in the area of disposable diapers, manufacturers have shown considerably more activity. Consumer advertising has been heavy as Procter & Gamble and Kimberly-Clark battle for supremacy in the field.

So far, Kimberly-Clark's Huggies seem to have made faster gains in the category. Recently the company's chairman and chief executive officer, Darwin E. Smith, speaking before the New York Society of Securities Analysts, announced that the company claimed a 25 percent market share in the disposable diaper industry, up from 12 percent in 1982.

Enviable position

"We maintain an enviable position with consumers," he noted. The company predicts a 30 percent share by the end of 1985 and strong second quarter figures, according to the company, indicate strong unit sales volume growth.

Procter & Gamble, meanwhile, has not abandoned the fight. The company has now upgraded its Pampers brand in an effort to take on Huggies bottom to bottom, so to speak, and is spending considerable resources to promote the product nationally.

The results are not in because the new Pampers, and its promotional campaign, are just getting under way, but supermarket buyers are watching closely. In the meantime, many report that their private label sales, which nationally account for a considerable percent of the total volume sales of disposable diapers, are doing well. ■

—BOB MILLER

WHERE THE 1984 GM* SALES INCREASE CAME FROM

RANK	CATEGORY	SALES INCREASE OVER 1983 (000)	% OF TOTAL GAIN
1	Magazines & Newspapers	70,520	20.53
2	Women's Hosiery	63,079	18.36
3	Photo Supplies & Processing	56,343	16.40
4	Greeting Cards	54,203	15.78
5	Flashlights & Batteries	43,458	12.65
6	Toys	13,124	3.82
7	Housewares	9,630	2.80
8	Stationery	5,957	1.73
9	Disposable Cigarette Lighters	5,265	1.53
10	Men's Hosiery	4,848	1.41
11	Vacuum Bottles & Jugs	4,392	1.28
12	Pet Accessories	4,092	1.19
13	Writing Implements	3,438	1.00
14	Sunglasses	2,820	0.82
15	Playing Cards	1,474	0.43
16	Shoe Laces	928	0.27
		343,571	100.00%

*Excludes HBA's

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Pain due to braces
NEW
orajel brace-aid oral anesthetic GEL
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Fast pain relief
HELPS HEAL
Mouth & Lip Sores
Canker, Gum & Cold Sores
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CONSUMER EXPENDITURES STUDY

BAKED GOODS

The instore bakery today is a keystone of virtually every new supermarket, regardless of format. As a result, sales of commercial baked products are slipping.

"It's war out there," is the way one veteran marketer of commercial baked goods describes a department of the supermarket that historically has been associated more closely with concord than conflict.

Dispatches from the front cite the following battlegrounds as being particularly active:

☐ Instores continue to seize territory—both store space and sales—from commercial baked goods.

☐ Sweet goods (often seen as particularly defenseless in the face of instore competition) try to hold their share of the baked goods rack against breads and rolls.

☐ White bread, shell-shocked from a 20-year war during which it sustained ever-shrinking market share, continues to struggle against trendier variety breads.

☐ And within the bread section, private labels and premiums trade firepower.

Invasion of the instores

Once a novelty that few commercial baked goods suppliers took seriously, the instore bakery today is a keystone of virtually every new supermarket regardless of format. "A $200,000-a-week store should, by rule of thumb, have sales of commercial baked of about 6 or 7 percent," says Frank Amoruso, director of sales for Quality Bakers of America (Greenwich, Conn.). "And *it will*—if there is no instore. But with an instore, that share can shrink to five, or four, or even three percent."

Along with sales, commercial baked goods are also losing space to instores. "In the large new format stores," says Joan Hoenninger, new products manager for Tastycake, Inc. (Philadelphia), "the commercial baked section often keeps the same number of feet it had in conventional stores, which means a smaller share of total store space."

At Publix Super Markets (Lakeland, Fla.), Dean Ramus, direct store delivery products buyer and merchandiser, confirms that commercial is getting "basically the same footage (in larger new stores) as in smaller stores."

"It's not really because of instores," he explains. "It's because they already have all the room they need."

Following the same line of reasoning, a buyer at Pathmark Supermarkets (Woodbridge, N.J.) says that the company has not expanded footage in the commercial bakery aisle as stores have grown larger, but rather has tried to utilize that space better, partly through the use of scanning data.

Ending end-aisles

The advent of instores can also cause an attrition in commercial baked's *quality* of

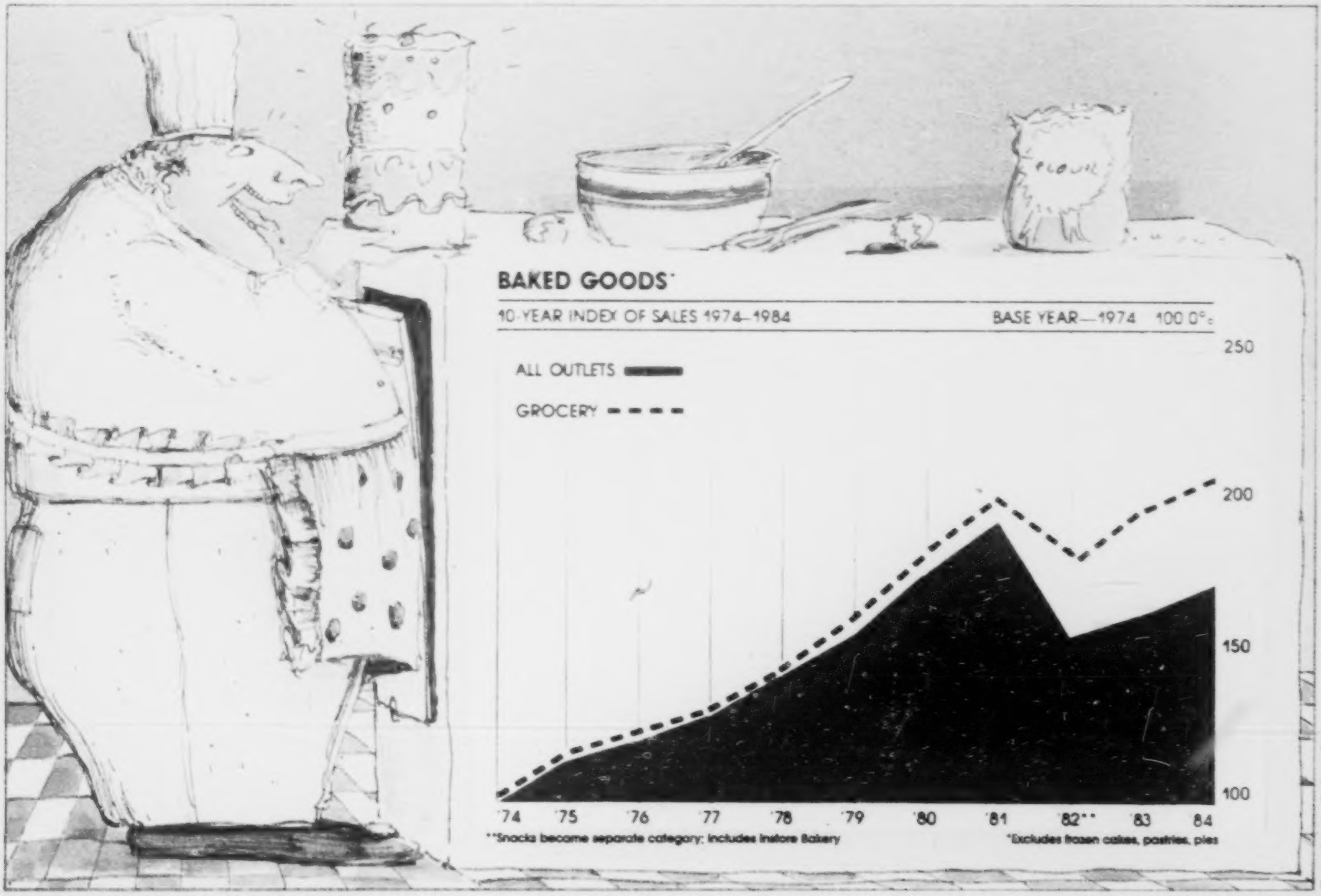

Illustration by Debbie Tilley

space. "In our stores that have a deli-bake operation," says David Polk, food service director at M&M Supermarkets (Savannah, Ga.), "we cut back on supplemental displays for commercial. Entenmann's, for example, does well on end-aisle displays, but we don't give it to them in our deli-bake stores. We put them on the shelf. And nobody gets table displays."

Not everybody, however, is tightening up on the space allocated to commercial baked. "This is a good healthy aisle," says Dick McGrath, buyer, Angelo's Supermarkets, Inc. (Rockland, Mass.). "We have no complaints, and have given the section more footage in our new, bigger stores."

Between the two major components of the commercial baked goods department—breads/rolls and sweet goods—which is more vulnerable to the fresh-baked lures of the instore? And, one might also ask, to concurrent shifts in consumer tastes?

Some clues can be lifted from the statistics in the most recently published Census of Manufacturers (1982), which traces consumption trends between 1977 and 1982:

Bread production (in pounds) dropped 1.4 percent. White bread sank to 37 percent of total poundage in 1982, down from 41 percent in 1977 and 48 percent in 1972. Production of whole wheat, cracked wheat, multigrain and other dark bread rose 54 percent between 1977 and 1982.

Bread-type rolls gained by 15 percent.

Sweet goods turned in a mixed performance, with snack cakes, "other pies" and cake doughnuts showing an increase in tonnage, while yeast doughnuts, other sweet yeast goods, fruit cake and snack pies showed a decrease. The major impact of instores, of course, has been felt in the years since 1982, the last year covered by the report, so for some lines a slow floating down of consumption may well have accelerated into a free fall.

The white stuff

Amoruso of Quality Bakers of America says, "I believe that instores take from the commercial racks in this order: first, sweet goods, especially doughnuts; then variety bread; and last, white bread. White bread is least vulnerable because the instore product is not extremely good quality compared to a well-made commercial bakery loaf. And it gets stale in 24 hours."

Some sweet goods lines are more resistant to instore competition than are others, according to Tastycake's Hoenninger. "Our snack cakes are affected more than our individual-serving-size pies. The instore doesn't offer anything like individually wrapped pies that people can eat away from home."

M&M has an embargo against sweet goods that compete directly with instore. "One manufacturer of doughnuts used to have a six-foot table of filled and glazed doughnuts in our stores," David Polk recalls. "But we've killed their line in our stores with bakeries. Why sell a dozen of their doughnuts at a 15 percent markup if it drastically hurts the sale of our instore items with a 50 percent markup. With our deli-bake, we look at which *lines* of commercial baked should be cut."

Publix espouses a similar philosophy. "Years ago," says Ramus, "the commercial baker brought in Danish and pastries—but no more. It's strictly bread now, except for the Entenmann's line."

At General Foods, Entenmann's home base, Trecie Fennell, a spokesman, claims, "Only a small percentage of chains have cut back on space, or moved us to the back of an instore. Most chains are positioning to increase the sale of the total baked category."

Bread lines

Whether instores draw more customers away from private label or from premium commercial baked bread is, according to Jerry Pinney, vice president, marketing, IGA, Inc (Chicago), "a question of pricing philosophy."

"Where you see a store that's ignoring labor costs and footballing their instore breads for, say, three or five loaves for a dollar, you can be sure it's hurting private label. But stores that say 'no, we're good bakers with

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CONSUMER
EXPENDITURES
STUDY

BEER

Expansion and segmentation seemed to be the name of the game in the beer business, as brewers continued to seek new products and line extensions that might appeal to Americans.

"The worst beer I ever had was wonderful," best-selling author Robert B. Parker's beer-quaffing detective hero, Spenser, says in the mystery novel *Mortal Stakes*. While Spenser's preferences run from domestic Rolling Rock (in long-necked bottles, of course) to imported and rare Steinlager from New Zealand, his enthusiasm really is for anything made from barley, hops and yeast.

This same enthusiasm seems shared by both domestic and foreign brewers, despite a year of minimal achievement in the beer business. Expansion and segmentation seem to be the name of their game, as brewers seek new products and line extensions that might appeal to Americans and find a comfortable niche on supermarket shelves.

G. Heileman Brewing Co., Inc. (La Crosse, Wis.), for example, lost market share last year, decreasing from 9.8 percent of the nation's domestic beer market in 1983 to 9.4 percent in 1984. In an effort to expand its range of offerings and the breadth of the company's appeal, Heileman agreed to become the sole U.S. importer of the full line of Hacker-Pschorr beers from West Germany.

This agreement represents a significant step in the company's efforts to become a national brewer, according to Russell G. Cleary, chairman of Heileman. "The key is in covering the full spectrum," Cleary said, noting that Heileman's "real powers are with the regionals," beers such as Lone Star and Old Style, which are found in specific areas of the country. "This gives us another segment of the market," he said.

A new brewery

Another example: Adolph Coors Co. (Golden, Colo.), which also lost a bit of domestic beer market share during 1984—dropping to 7.4 percent from 7.6 percent—announced this summer its agreement with Molson of Canada and Kaltenberg Castle of West Germany to establish "a new American brewery," Masters Brewing Company, which will launch a new brand before the end of the year.

This action does not signal a merger of the three companies, said Kevin Donnellon, a spokesman for Masters. Each brewery will continue to operate independently and compete against the other as well as against the new brewery. Further details were not available at presstime, and Donnellon would emphasize only that the new brand "will not be an imported beer."

In another development, Paul Kalmanovitz, a California-based brewing magnate and the chairman of S&P Co., purchased

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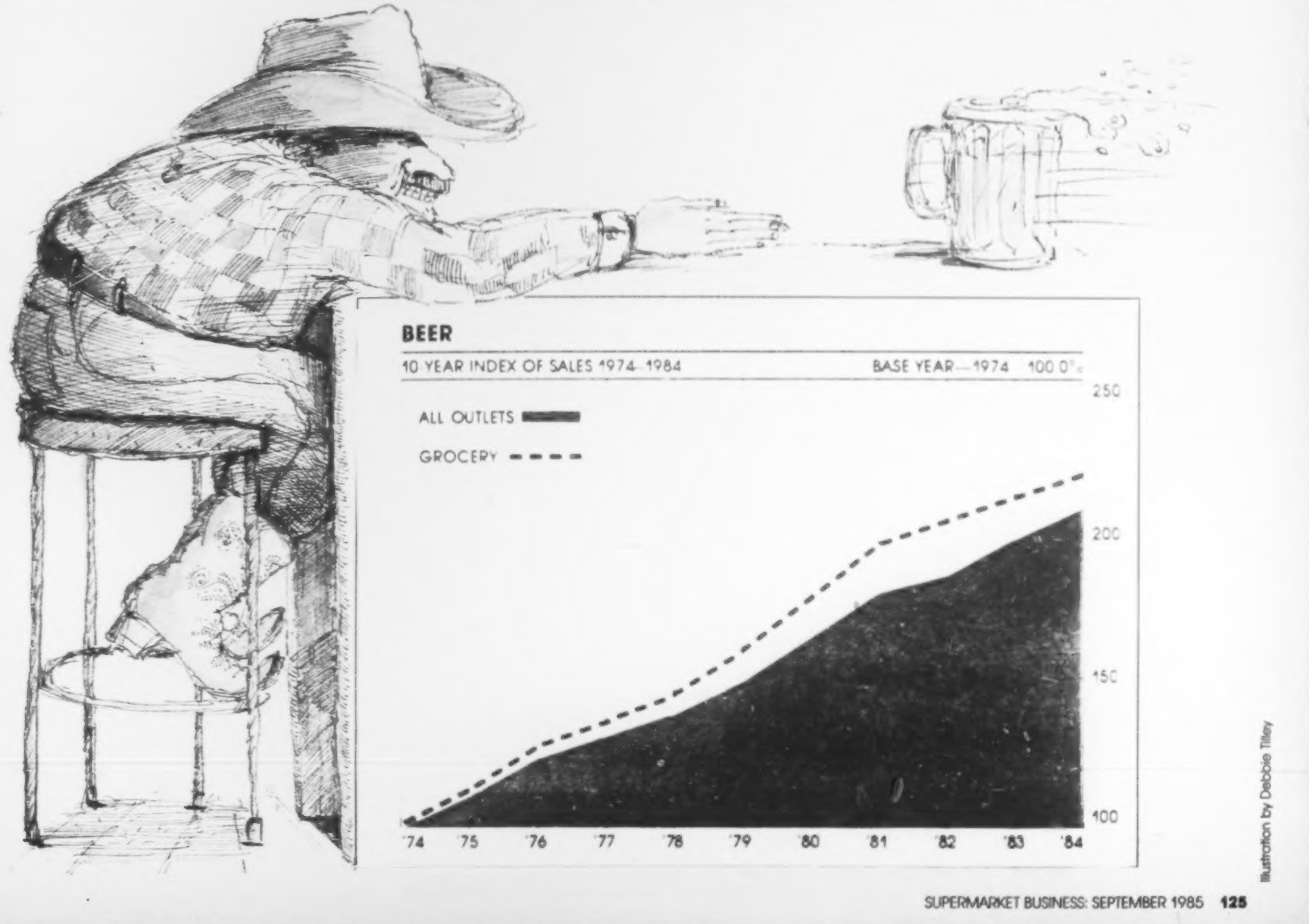

Illustration by Debbie Tilley

BEER

If the beer business itself isn't doing so hot, the product still sells very well at the supermarket. Beer purchased for off-premises consumption is rising at a faster rate than beer for on-premises consumption.

Continued from page 125

for about $63 million a controlling interest in Pabst Brewing Co. (Milwaukee, Wis.), an interest that likely will mean a dramatic change in the way that the brewery does business.

One source within Pabst said that the company's brands, which include the Pabst, Olympia and Hamms labels, would see their advertising support cut back to a minimum radio, print and billboard effort, and that every method is being used to cut back overhead and pare the company's expenses to the bone.

At least several hundred people have been laid off since the Kalmanovitz takeover, and Pabst's New Jersey brewery facilities were closed last April.

Multi-brand houses

Consolidation and segmentation are not unique to American companies. Kronenbourg U.S.A. (Greenwich, Conn.) is being disbanded, with Kronenbourg beer's American distribution shifted to Guinness-Harp Corporation (New York, N.Y.), distributor of Guinness Stout, Harp Lager, Bass Ale, Furstenberg and Asaki.

Robert J. Wilson, president of the soon-to-be defunct company, said the change was made because "in numbers there is strength. Guinness Harp is a multi-brand house, and the feeling seemed to be that they would increase the clout of Kronenbourg. It really is a matter of the European company wanting to reduce overhead and accelerate growth." (Wilson added that he expects the award-winning John Cleese commercials for Kronenbourg to remain intact despite the change in distributor.)

Ben Steinman, an industry observer, said that the moves by Heileman, Coors and Kronenbourg are to be expected in an industry in which "over a three-year period, business has been flat to down." Regarding the Pabst takeover by Kalmanovitz, he said that while the new ownership's austerity moves might not be positive for the long term health of Pabst's brands, it could be a good thing for other breweries because this strategy tends to cause a decline in production.

"Pabst won't be brewing as many barrels of beer," Steinman said, "which creates an opportunity. That barrellage will be up for grabs."

Companies are developing new relationships and brands, Steinman said, "because they are scrambling for alternatives. The beer industry, in terms of total business, isn't doing so hot."

If the beer business "isn't doing so hot," the supermarket beer business is not suffering as much as other purveyors of brew. The reason, according to both manufacturers and retailers, is that increased awareness of the dangers of drunk driving and the nationwide temperance movement that has stimulated the raising of drinking ages in many states have combined to get people to drink at home rather than in taverns and restaurants.

Thus, beer purchased for off-premises consumption is rising at a faster rate than beer for on-premises consumption, the growth of which is so small as to be insignificant.

And, within the supermarket's beer cases are still two bright spots: light beers and imported brands. While the overall category's increases of 1984 and those projected for 1985 are not expected to come close to the huge gains of about a decade ago, industry experts suggested that life style trends in the U.S. emphasizing youth, physical fitness and sophistication continue to prime the pump for these two segments within the category.

Beer coolers

It remains too early to tell exactly what impact the new beer cooler segment (beer with citrus flavoring) will have on the overall category, but retailers and manufacturers appear in agreement on the appeal of low alcohol beer and non-alcohol beer—consumers seem to believe that, at least in this case, that none is better than a little.

Low alcohol beers, such as Anheuser Busch's LA and Stroh's Schaefer LA, are given low marks by manufacturers, who admit they have not performed up to expectations, as well as by retailers. One chain buyer said that as long as low alcohol beers remain of relatively unknown origin, they will continue to perform weakly.

"The category won't grow until they use a more familiar name," such as Budweiser or Michelob for a low alcohol offering, the buyer said. One manufacturer acknowledged this, and observed that light beers, which have less alcohol than regular beers, managed to be a success by not stressing their alcohol content.

Beyond expectations

No-alcohol beers, on the other hand, seem to have some appeal for brewers, as one importer, Guinness-Harp Corporation, introduces Kaliber to 35 of the nation's top markets this fall. In the beer cooler segment, there are numerous new versions, such as Colorado Chiller from Coors, White Mountain Cooler from Stroh, and both La Croix Malt Cooler and Country Cooler from Heileman. At Stroh, at least, the word is that its offering "is performing way beyond expectations."

Beer purchased for home consumption was a $12.4 billion business in 1984, according to the SUPERMARKET BUSINESS Consumer Expenditures Study, with about $11.5 billion, or 93 percent, of that spent in the nation's grocery stores.

Overall, beer bought for home consumption in the U.S. saw sales increase by 4.7 percent from 1983's $11.9 billion figure, while the sales figures in grocery stores showed a larger increase, 5.2 percent, from 1983's $10.9 billion. Since 1975, beer sales in grocery stores have expanded by a total of 121.8 percent, somewhat higher than the expansion of 107.4 percent in overall outlets.

Light-headed sales

The approximate five percent growth in beer sales in the United States does not reflect what is happening in certain categories, however. Light beers, according to industry experts, continue to expand in popularity at an annual rate approaching 16 percent. Miller Lite, the pioneer in the segment and the brand with some 53 percent of the total light beer sales, remains the nation's second best-selling beer (after Budweiser, from Anheuser Busch).

The imported beer market also continues to grow, at a 15.5 percent annual rate, roughly three times that of the overall category. This rate is what prompts domestic brewers like Heileman to jump into the imported beer business, but it also elicits some caustic reactions from other domestic brewers.

"Sure, imports get a lot of play, even among the chains we call on," said one brewer. "They

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CANDY

Things are sweet in the candy category, where the dollar sales increases continue to surge.

Things are sweet in the confectionary category, where the dollar sales increase for 1984 was double that of 1983. The chocolate bar wars continue to wage fierce, but none of the previous year's top 10 sellers showed signs of melting under the heat.

The chocolate category as a whole had a strong year, and remains the favorite candy purchase of shoppers with a sweet tooth. According to SUPERMARKET BUSINESS Consumer Expenditures Study figures, chocolate bar sales in grocery stores grew a healthy 8.6 percent. Packaged chocolates increased 6.1 percent, and candy-covered chocolates 7.8 percent. Total sales of chocolate candy in grocery stores amounted to $1.1 billion in 1984.

But it's the gummi bear and gummi type take-offs that show signs of being the hot, up-and-coming new item. Gummi bears, originally a gourmet item imported from West Germany by Haribo of America, Inc. (Baltimore), are invading this country and making a successful transition from specialty item to universal distribution.

A dozen or more companies have jumped on the bandwagon and, while consumers initially may have been bullish on bears, their choices are not so limited these days. Manufacturers have contorted the gummi product into shapes ranging from fish to squiggly worms. And consumers are falling for them hook, line and sinker.

With nearly 20 different shapes available, ranging from fruit to dolphins, the bulk of sales continue to be in the familiar form of bears, although fish and worms are coming on. And the chewy candy continues to be primarily imported from European countries such as West Germany, Austria and Holland.

The gummi bears began making inroads in this country four or five years ago, after 18 years on the market. Bob Cappelmann of C&J Willenborg (Ramsey, N.J.), a distributor of packaged and bulk gummi products, says that whereas the distribution of these items was once wholly to specialty stores and gourmet candy shops, the candy is now big in drugstores and supermarkets.

Mushrooming

In fact, the last year or two has seen a veritable mushrooming of the category, according to Sam Edwards of Allfood, Inc. (Riverton, N.J.), distributor of bulk gummi items. "It's phenomenal. The gummi bears are without a doubt the biggest thing happening in non-chocolate candy today. And it's going to get bigger still. In supermarkets, gummi bears are doing

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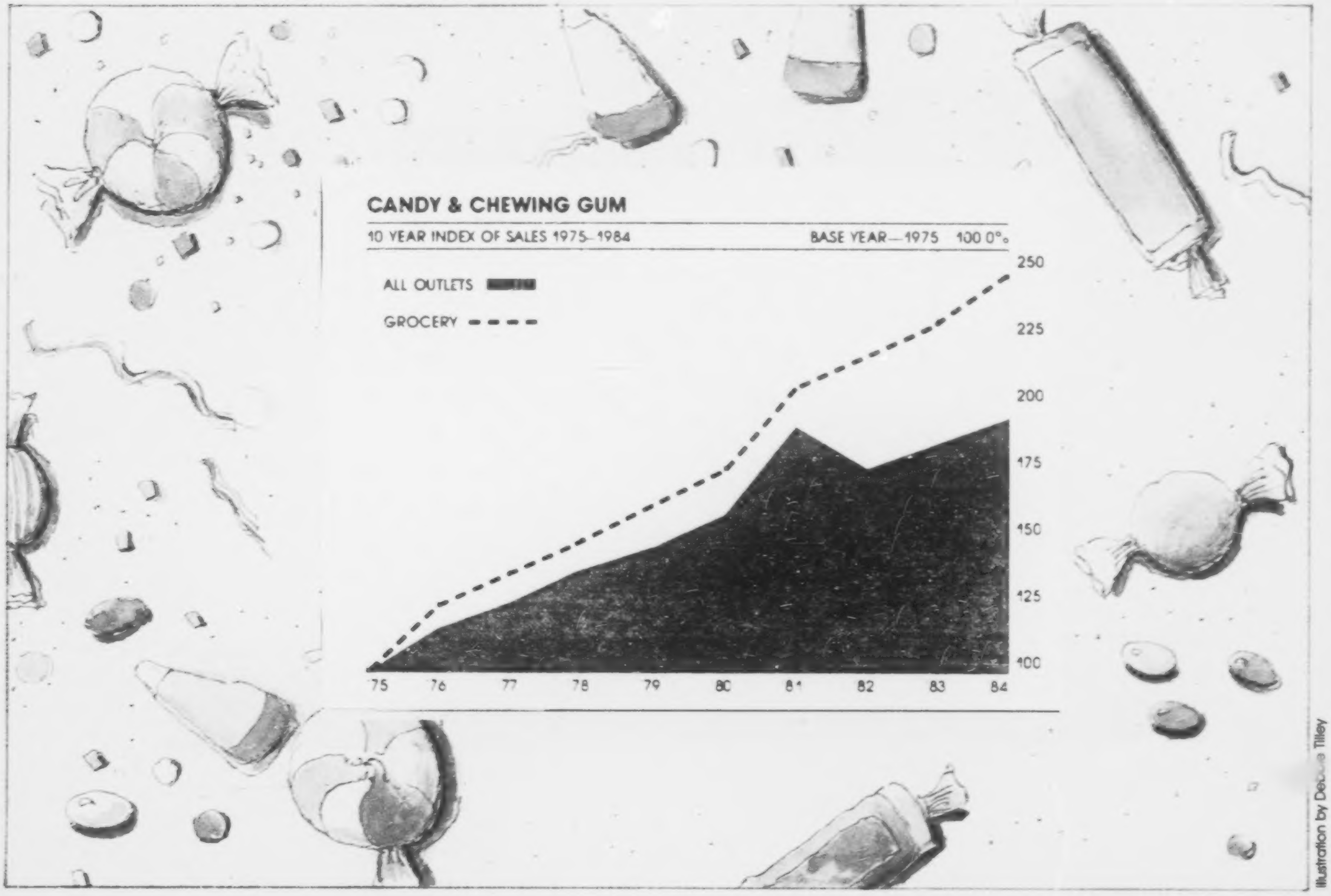

Illustration by Debbie Tilley

CONSUMER
EXPENDITURES
STUDY

CANNED GOODS

Flat sales of canned goods have sent manufacturers scurrying to find new products and packaging, and even new markets.

With even the no-salt, low-sugar products attracting only faint interest, flat sales of canned goods have sent manufacturers scurrying to find new products and packaging, and even new markets, while they try to win the consumer back from fresh produce with expensive educational and advertising campaigns.

Customers are still buying canned fruits and vegetables, particularly those used as ingredients for cooking, but they're buying them in smaller quantities and in smaller sizes, say supermarket officials, who have had to reduce shelf space or reallocate it to meet a shifting demand.

Poor growing conditions in recent years have also played havoc with quantity and availability of many items, thus preventing some of the bigger chains from doing the heavy promotion to stimulate sales.

"They're buying it all, but sales are flat," said Johnny McDade, a buyer for Piggly Wiggly Southern, with 82 stores in Georgia. Which more or less sums up what's happening in canned goods; people are buying but there is little growth, or decline, in anything.

Price a big factor

"People have gone to smaller canned fruits, due to expense. Price has been a big factor. Vegetables, except for peas, which have declined, are steady. We offer no-salt products as an alternative but they've never become volume-type items," said Marilyn Heyde, grocery buyer for Kohl's Food Stores (Milwaukee), a chain of more than 50 stores.

Heyde noted that consumers are buying smaller sizes of fruits and that the variety of product in that area has been considerably reduced in her company's stores. "Because tomato products have done well we've taken space away from other vegetables," she added.

Farther west the story is pretty much the same. "Vegetables are pretty stable, with few new products. The items that move are the basics and those on sale," said Dina Mathews, grocery buyer for The Cullum Companies (Dallas), which operates 120 stores in Arkansas, California, Iowa, Kansas, Missouri, Nebraska, South Dakota and Texas. John Gabriel, also of Cullum, reiterated Heyde's observation that tomato products are stronger than most canned goods, probably because most are used as cooking ingredients rather than prepared foods. Here too, however, the smaller sizes, the eight-ounce tomato sauce, are the best sellers.

Little movement

In canned fruits Mathews

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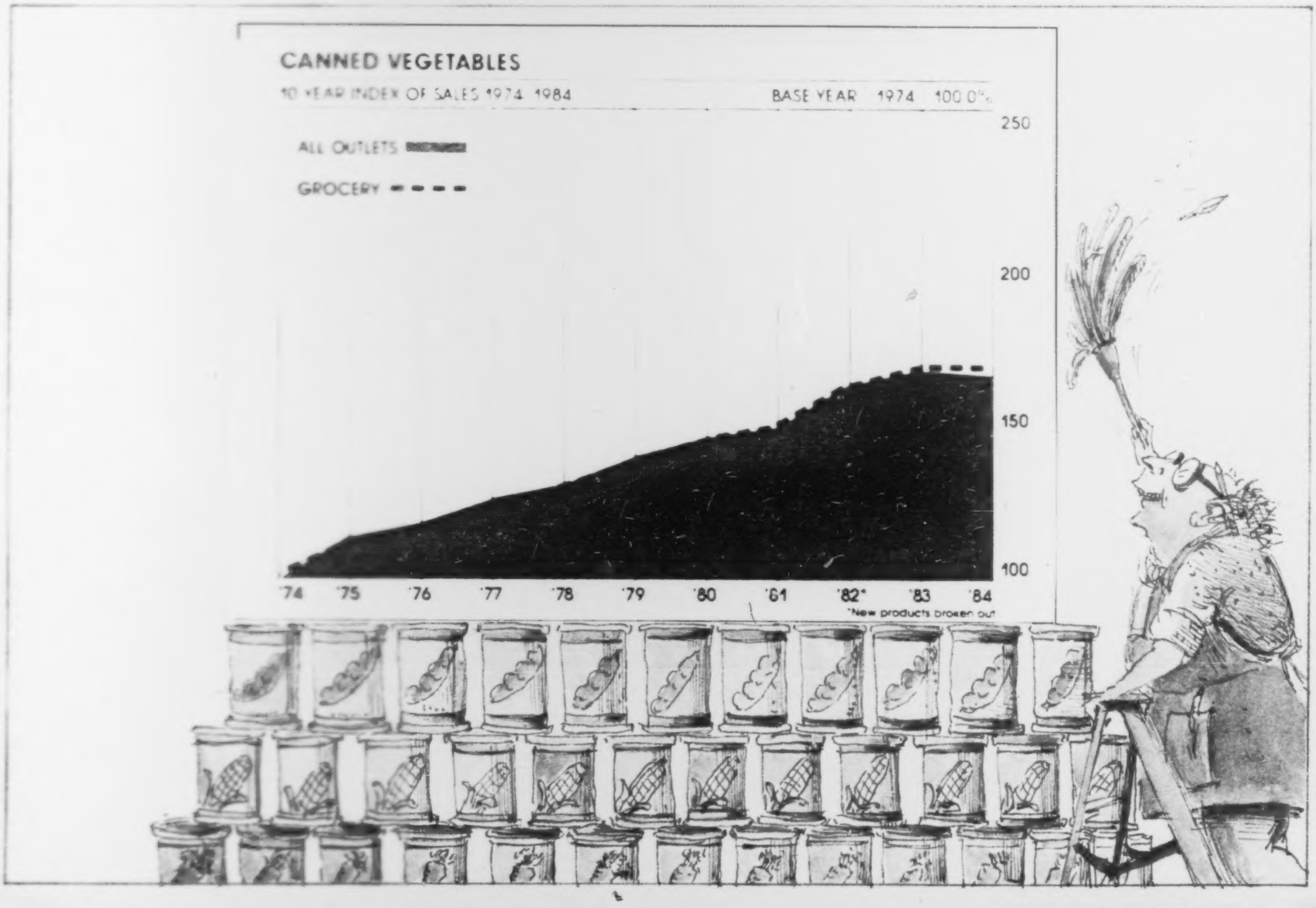

Illustration by Debbie Tilley

CONSUMER
EXPENDITURES
STUDY

CEREAL

It was a year that belonged to Kellogg, as the company used the last 12 months to regain market share. Cereals as a whole have grown in sales over the last couple of years.

It was, according to retailers, analysts and competitors alike, a year that belonged to Kellogg.

The Battle Creek, Mich.-based company used the last 12 months to regain face and market share; while there never was any doubt that Kellogg remained the top cereal manufacturer in the country, its market share had eroded in recent years, the result of intensified competition in the category.

But no more. Kellogg managed a rejuvenation that pushed its market share from a low of approximately 37 percent to a current 42 percent, and experts say this can be attributed to a two-part strategy: a dramatic upturn in Kellogg's promotional support for its products and an aggressive product introduction schedule. Especially during the past year, that promotional support seemed to make the difference.

"They did one hell of a job," said Leonard Teitelbaum, a vice president and analyst with the New York City brokerage firm, Merrill Lynch. "They took market share from General Mills and a lot from General Foods. And, according to my information, they did so across the board."

Victims' strategy no surprise

Indeed, most observers agreed that General Foods' Post cereals division, based in White Plains, N.Y., and the Minneapolis-based General Mills were the biggest victims of Kellogg's new strategy. "Of course, that's no surprise," said William B. McKnight, president of the grocery division, which is based in Parsippany, N.J. "General Foods and General Mills had a lot more to lose."

Trecie Fennell, a spokesman for General Foods, said that the Post division does not view its fortunes in the same way as those who feel that the company was on the losing end last year. "Post feels it had a good year," she said. "They feel they met, and in some cases exceeded, their objectives." But Fennell would go no further; anything more specific, she said, would be proprietary information.

Industry sources say that in the battle for market share, the major companies currently occupy the following positions: Kellogg, with 42 percent; General Mills, 20 percent; General Foods, about 19 percent; Quaker Oats (Chicago, Ill.), eight percent; Ralston-Purina (St. Louis, Mo.), seven percent, and Nabisco six percent.

Making these market shares more significant is the fact that the breakfast food market overall had a smashing year in 1984, according to retailers. Breakfast food is a $5 billion business, with grocery stores providing $4.7 billion, or some 95 percent,

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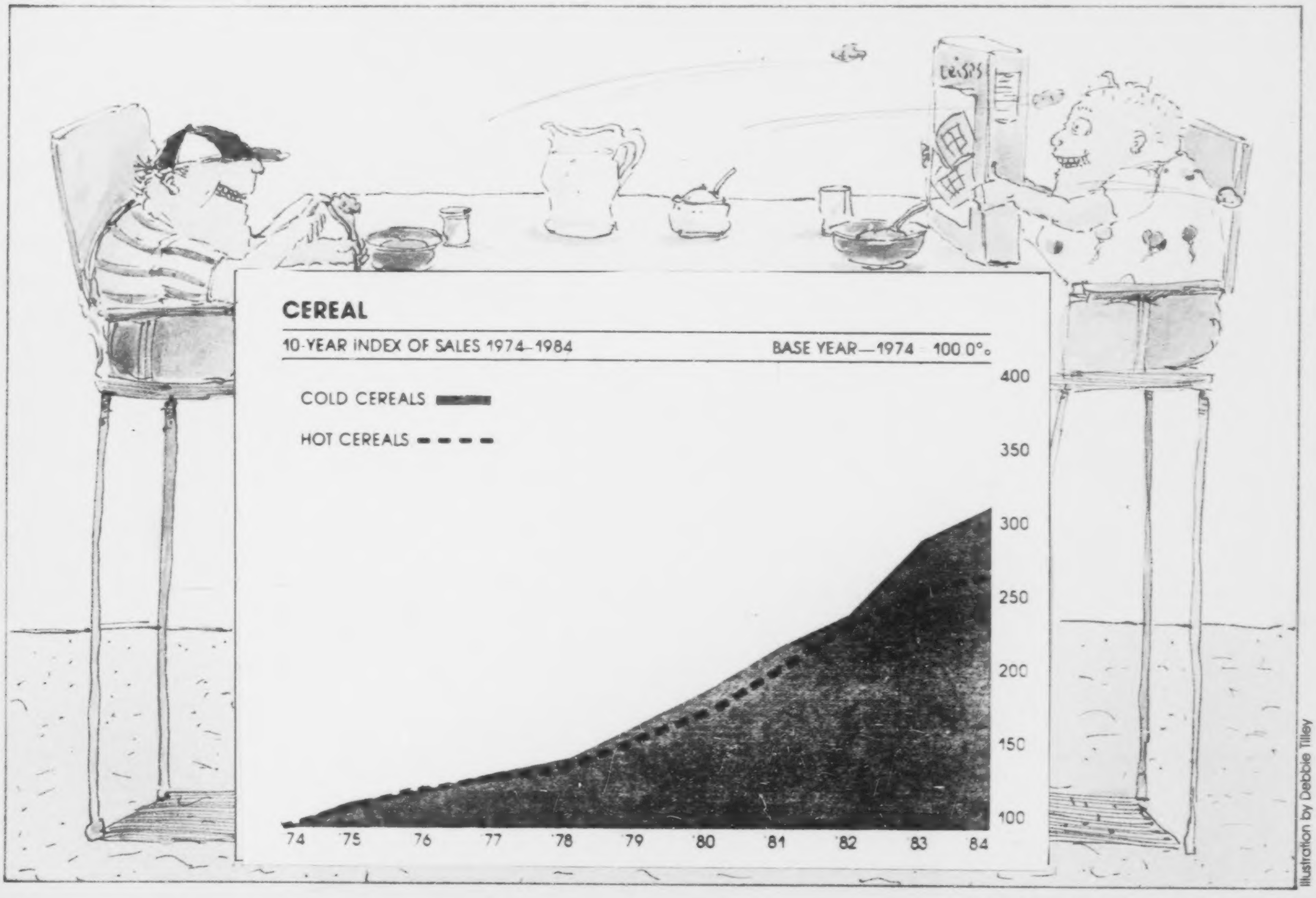

Illustration by Debbie Tilley

CEREAL

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One trend that seems to be emerging: cereals based on movie and television characters will be introduced far less often in the future. The products have not fared well.

of that business. This represents a significant increase over the previous year's sales, which hovered in the $4 billion range.

Kellogg's aggressiveness

Merrill Lynch's Teitelbaum said that Kellogg's aggressiveness can be linked to its inability to grow through acquisitions during the past decade. "Kellogg had looked for an awfully long time for an acquisition, but couldn't find any that met their internal goals for growth or were the right price," he said. Facing that, the company decided to push itself into even greater dominance in the area it understood better than any other: cereals.

"One might have said two years ago that (cereals) were a one or two percent growth business, perhaps a little faster than the growth of the population," Teitelbaum said. He noted, however, that a shift in demographics has benefited cereal manufacturers tremendously. The U.S. has more old people and young people than ever before—and those are the people who eat cereals. "Each segment eats cereals, and each eats for different reasons," Teitelbaum said.

Children's cereals and adult cereals each experienced specific kinds of growth, retailers said. In the case of products designed and marketed for the young, manufacturers moved away from some of the pre-sweetened cereals and character-dominated products of the past, and toward what might be called "classic" products such as corn flakes. Among the older generation, bran and fiber cereals were all the rage.

Kellogg, of course, finds any discussion of fiber-based cereal popularity to be a trifle amusing. Bran cereals are at the very root of the company's existence, says Richard E. Lovell, a spokesman for Kellogg. All Bran, which has generated some controversy during the past year in its reference to fiber as a potential help in the battle against cancer, is viewed almost as a new product, yet has been around since 1916; Raisin Bran, one of Kellogg's biggest sellers, has a similar history. The company's most recent bran-based product is Fruitful Bran, which was introduced in 1983 and was reformulated this year with the addition of peaches.

"There just has been an increase in people's knowledge about good nutrition and health," Lovell said, "and we are well targeted to these trends."

New product introductions

Indications of how a company is thinking and what trends it intends to capitalize on can be found in its new product introductions during any given year. In the past year, Kellogg, for example, brought out two new products: Raisin Squares, shredded wheat with raisins inside, and OJ's, a pre-sweetened children's cereal that emphasizes its orange flavor and the existence of as much Vitamin C in one serving as in a four-ounce glass of orange juice.

General Foods' Post division brought out just one new product, a Tropical Fruit extension of its Fruit & Fibre line, which now numbers three. Ralston-Purina introduced an adult cereal, Sun Flakes, with 100 percent aspartame sweetening, and two children's cereals based on the licensed characters Rainbow Brite and the Cabbage Patch Kids.

Quaker Oats' new cereals were Raisin Life, an extension of the Life line of cereals, and "Mr. T," with the imposing visage of the star of "The A Team" adorning the cereal box cover. General Mills' new cereals included Bran Muffin Crisp, Fiber One and S'mores Crunch.

But it doesn't matter what is on the supermarket shelves if the customer isn't buying it, and the introductions of this year and the past year appear to be viewed with mixed emotions by shoppers.

"Just last night, I was walking the cereal aisle with my grocery manager," said Raymond Tadry, vice president of Lloyd's Shopping Centers (Middletown, N.Y.). "These days, you almost see more adults in the cereal aisle than you do kids. Well, I stopped one person and asked him, and he said that he was looking for a cereal with a low sodium content.

People read labels

"Well, this guy had a coupon for 40 cents off General Mills' Fiber One, and I had it on special, at 99 cents down from $1.29. He could have gotten it for 59 cents. But he didn't buy it. Instead, he bought Sun Flakes because he said it had 40 milligrams of sodium instead of 190. People read the labels. I figured he must have been on a special diet, but no, he said he was just trying to be careful."

David Trottier, president of Smitty's Supermarkets in Springfield, Mo., said he has noticed a definite trend toward classic cereals that are perceived by the public as being healthful, even if the product is not specifically marketed that way. Chief among the beneficiaries of this movement have been Corn Flakes and Wheaties, he said. "I think that girl from the Olympics, Mary Lou Retton, has really helped Wheaties (in advertisements)," Trottier said.

At The Food Gallery, a two-store operation in Pittsburgh, store manager Wade T. Melhorn said that sales are also good for traditional cereals like Cheerios and Corn Flakes, as well as for fiber-based cereals such as Fiber One and All Bran. But sales have been terrible, he said, for cereals based on licensed characters such as The Gremlins or Pac-Man.

"You don't see a lot of it in this store," he said. "In our store, where we don't have as much room as a super store, we have to make discontinuances on our own." And the sugary, character-intensive cereals of recent years are usually the first to go.

Pre-sweetened by the wayside

Lloyd's Tadry agreed. "The pre-sweetened cereals have gone by the wayside," he said. "We belong to a co-op that does a lot of the weeding out for us. The Mr. T cereal, for example, came out with a big splash, but we've already discontinued it. The sales were just not there."

Sales also have been extremely weak for the Rainbow Brite and Cabbage Patch cereals, he said, while they have remained strong for Kellogg's OJ's. "I checked my average case movement since it was introduced, and it has stayed pretty consistent," Tadry said. "Kellogg is probably doing a pretty fair job of advertising."

Advertising aside, industry observers suggest that a trend is emerging here: cereals based on movie and television characters will be introduced far less often in the future. Such characters tend to have limited appeal over the long run, while characters developed specifically for a cereal—such as OJ's cowboy "OJ Joe" or Frosted Flakes' Tony the Tiger (who was introduced in 1952 and, according to Kellogg's Lovell, may well be the gold standard in such characters).

Yet another segment within

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DAIRY

Dairy manufacturers were unable to milk their products for all they were worth during 1984. Most significant gains were among yogurts and ice creams.

Despite attempts to butter up the nation's consumers, dairy manufacturers were unable to milk their products for all they were worth during 1984. While per capita consumption was up in some segments within the overall category, sales advances were, on the whole, cheesy, with yogurt and premium ice creams showing the most significant gains.

Sales figures and consumption figures did not always match up during 1984, for some legitimate reasons, industry observers say. In several dairy segments, most notably cheese, butter and margarine, government giveaway programs discouraged some sales while stimulating consumption. In the ice cream category, where consumption was not equal to the higher rate of sales increases, the reasons could be found in what retailers described as an almost unprecedented consumer interest in high-cost, premium level products and novelties.

Statistically, over the past 10 years, the dairy industry has not seen tremendous increases in sales. In 1975, for example, grocery stores sold $9.8 billion worth of dairy products, while in 1984 they sold $17.9 billion—an 87.3 percent increase.

But this pales when compared to other category sales. In beer and soft drinks, for instance, sales during the past decade are up well over 100 percent. And, the dairy figures do not take into account the fact that included in them are sales for a wide variety of products other than milk; compared one-to-one, milk's advances are much lower than either beer's or soft drinks'.

The average American consumes roughly 65 percent more soda than milk, according to the American Dairy Association. In 1983—the figures for 1984 were not yet available—Americans on a per capita basis consumed 42 gallons of soda, 26.8 gallons of milk, 25.9 gallons of coffee, 24.6 gallons of beer, 6.8 gallons of juice and 6.4 gallons of tea.

Bones of contention

And yet, interest in dairy products, and particularly milk, from a health standpoint may never have been higher than today with the pressing of the word "osteoporosis" on the nation's collective consciousness. Osteoporosis, or brittle bone disease, victimizes nearly one out of every four American women over 60 years of age, and is thought to be prevented by high dosages of calcium at a younger age.

Dairy products, especially milk and cheese, are prime dietary sources of calcium. Indeed, despite some nutritionists' warnings that the scientific evidence is not yet strong

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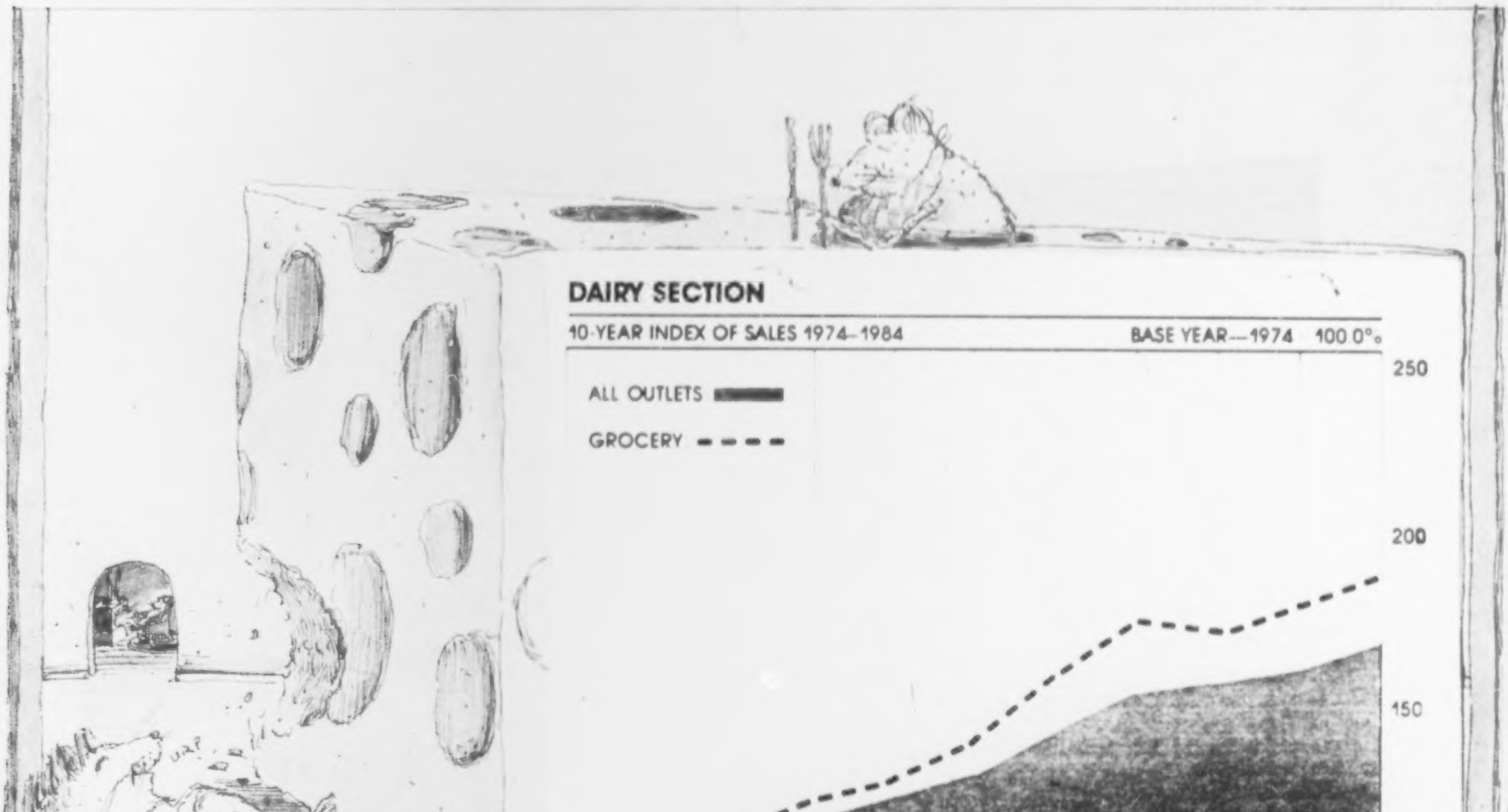

Illustration by Debbie Tilley

DAIRY

The average American consumes roughly 65 percent more soft drinks than milk, according to the American Dairy Association. And yet interest in dairy products from a health standpoint may never have been higher, in these calcium-conscious days.

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enough to support claims about dairy products and osteoporosis, the National Dairy Board has initiated a campaign that emphasizes the calcium benefits of dairy products and features instore promotions and booklet giveaways.

The results of all this publicity, however, are, to date, somewhat less significant than hoped. Marlee Norton, a spokesman for the National Dairy Promotion and Research Board (NDPRB), said that although the media have given a great deal of attention to osteoporosis ("I didn't even know what it was a year ago," she said, noting that it has become a familiar word to thousands of Americans), a new study commissioned by NDPRB has evaluated the impact of the advertising as "inconclusive."

The study covers the period from September 1984 to April 1985, and suggests that "there have been significant changes in the attitudes of women," but that there is no concrete evidence that this is having an impact on sales, Norton said.

Dairy was "an unusual area," during 1984, said Leonard Teitelbaum, a vice president and analyst with Merrill Lynch, the nation's largest brokerage firm. Teitelbaum pointed to yogurt and ice cream as the prime areas of growth, a contention that the Consumer Expenditures Study confirms. Yogurt was a $1.6 billion business during 1984, with about $1.3 billion, or 81 percent, coming from grocery store sales. Overall, yogurt sales were up 12.3 percent in 1984, with grocery stores' role in that up about 10.8 percent.

In all likelihood, Teitelbaum said, this kind of growth rate will dissipate. "I think it will be having a much more normal growth rate, and will be flattening out," he said. The cause would be the segmentation of the market, or the creation of new yogurt products based on more specialized areas. "When you start to segment, you start to cannibalize your market," he said.

Segmentation blues

Jim Glicker, group product manager with The Dannon Company (Long Island City, N.Y.), agreed up to a point. "In general," Glicker said, "it is a good idea to segment. By dealing with specific needs, you can make the category grow faster." Nevertheless, when Dannon brought out its new Hearty Nuts & Raisins yogurt during 1984, it did not follow the lead of General Mills' Yoplait and christen it a breakfast yogurt.

"Frankly, we thought it was too limiting, that you could eat it for lunch, too," Glicker said. "Besides, their product (Yoplait's breakfast yogurt) isn't doing very well."

Consumption patterns for yogurt, according to Glicker, break down to about 50 percent at meals—only three percent of which is asbreakfast—and 50 percent assnacks. Thus, it served Dannon's interests to direct a yogurt at more than one market.

Yoplait's yogurt offerings include Original, Breakfast, and Custard Style, with multiple flavors in each, but General Mills refused to discuss the segmentation issue broached by Dannon.

One of the major new players in the yogurt segment is The Kellogg Co. (Battle Creek, Mich.), which brought out its Whitney's line of creamy yogurts, and quickly attained high visibility and sales beyond even retailers' expectations.

Generally priced between 10 and 20 cents higher than other yogurts, Whitney's moves "surprisingly well," according to several retailers that have stocked it. Richard Lovell, a spokesman for Kellogg, said that while Whitney's currently is not a national brand—it is in New York City, Baltimore/Washington, New England, Chicago, Los Angeles, San Francisco, and parts of Florida and upstate New York—it is proving to be a formidable competitor, achieving the number two position (behind Dannon) in both New York and Baltimore/Washington.

"Americans eat far less yogurt than Europeans do," Lovell said. "We think the potential for growth in this market is very, very good."

Supreme challenges

According to the U.S. Department of Agriculture (USDA), consumption of yogurt in this country definitely is on the rise, moving from 2.7 lbs. per person in 1982 to 3.2 lbs. in 1983 to 3.6 lbs. in 1984. Kellogg's Lovell estimated that in Europe consumption may be more than four times that—hence his company's investment in the category.

Dannon fully intends to contribute to this competitive market. This year, following on the heels of its breakfast-style yogurt, dessert-style yogurt and snack-sized packs of its traditional yogurt, Dannon will introduce "Dannon Supreme," a deluxe version "that is creamier and has more fruit than any other product on the market," according to spokesman Glicker.

Would it be incorrect to assume that this is a direct response to Whitney's, which uses similar glowing terms to describe its product? "Probably not," Glicker said.

While not experiencing quite the same amount of growth as yogurt, ice cream also was a category with substantial increases and a fair amount of retailer excitement during 1984.

Sales, according to the Consumer Expenditures Study, were up 6.7 percent overall and 5.6 percent in grocery stores, which contribute about one-third of the category's national sales. The ice cream market in grocery stores reached $1.5 billion during the year, compared with $4.6 billion overall. At the same time, however, consumption was not increasing.

According to USDA, the average American ate 2.07 gallons of ice cream in 1984, down from 2.08 gallons in 1983 but up from 1982's figure of 2.03 gallons. Sherbet remained consistent during the three year period, at .15 gallons consumption per capita in each year. Ice milk, on the other hand, showed marked consumption increases, from .78 gallons per person in 1982 to .81 gallons in 1983 to .84 gallons in 1984.

Harold Finley, manager of administration with Carnation Co.'s dairy division, said that ice milk's increasing usage can be traced to a preference for it in fast food outlets selling soft-serve cones. Because ice milk can be more easily preserved at consistent temperatures than ice cream, many such outlets—McDonald's, for example—use it instead.

Premium growth

Dawn M. Brydon, a spokesman for the International Association of Ice Cream Manufacturers (IAICM), said that her organization's studies have shown that much of the increase in ice cream sales has come from the premium and super premium segments. (She declined to define exactly what

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DIET FOODS

As manufacturers move towards higher-quality products, the diet foods category is shedding its weight-loss image for the "light" designation.

What do the following phrases from prominent advertising campaigns have in common?

"Just for the taste of it." "Ninety-five calories never tasted so imported." "I buy it for the taste." "This is living." "Less filling. Great taste."

Answer: All are used in the promotion of so-called "lite" products. And none of them refers to the fact that not so many years ago, they likely would have been called "diet" products.

In the words of one midwestern retailer, "They're selling gourmet quality now, rather than the garbage of the past."

Thin is beautiful, and manufacturers have declared: "Let there be lite." There is lite beer (and "light" beer—only Miller Brewing Co., which originated the segment in the beer category, can use the "lite" designation, while other brewers must use the different, albeit correct, spelling), light mayonnaise, light ketchup, light potato chips, even light ice creams (and their tofu-based imitations).

Broader consumer base

One of the nation's primary purveyors of dietetic dry grocery products is Sandoz Nutrition Corp., a Minneapolis, Minn.-based company that manufactures and distributes 180 products in the Featherweight line. Beth Hvass, product manager for Featherweight, acknowledges that retailers can be quite derisive about the quality of diet foods, and that they have had good reason—in the past.

Hvass said that while Featherweight traditionally appealed to a relatively narrow consumer base—"those people on a medically directed diet" rather than those simply interested in shedding a few pounds so they can look good at the beach—the company currently is planning to reformulate some of its products to improve taste and flavor.

"One of our biggest objectives is to provide taste now," Hvass said. "In some of our older products, taste may not be optimal. In our newer products, the number one emphasis is on taste and flavor."

The company's new barbecue sauce, tortilla and nacho chips, and custard are good examples of this, she said. Every effort has been made to assure that the taste does not suffer while maintaining the low-calorie, low-sodium character of the products. "We're spending a lot of time on this," she said.

Diet fruits off

At San Francisco's Tri-Valley Growers, which markets both Libby Lite Fruits (under a licensing agreement with Libby Foods) and Diet Delight Fruits,

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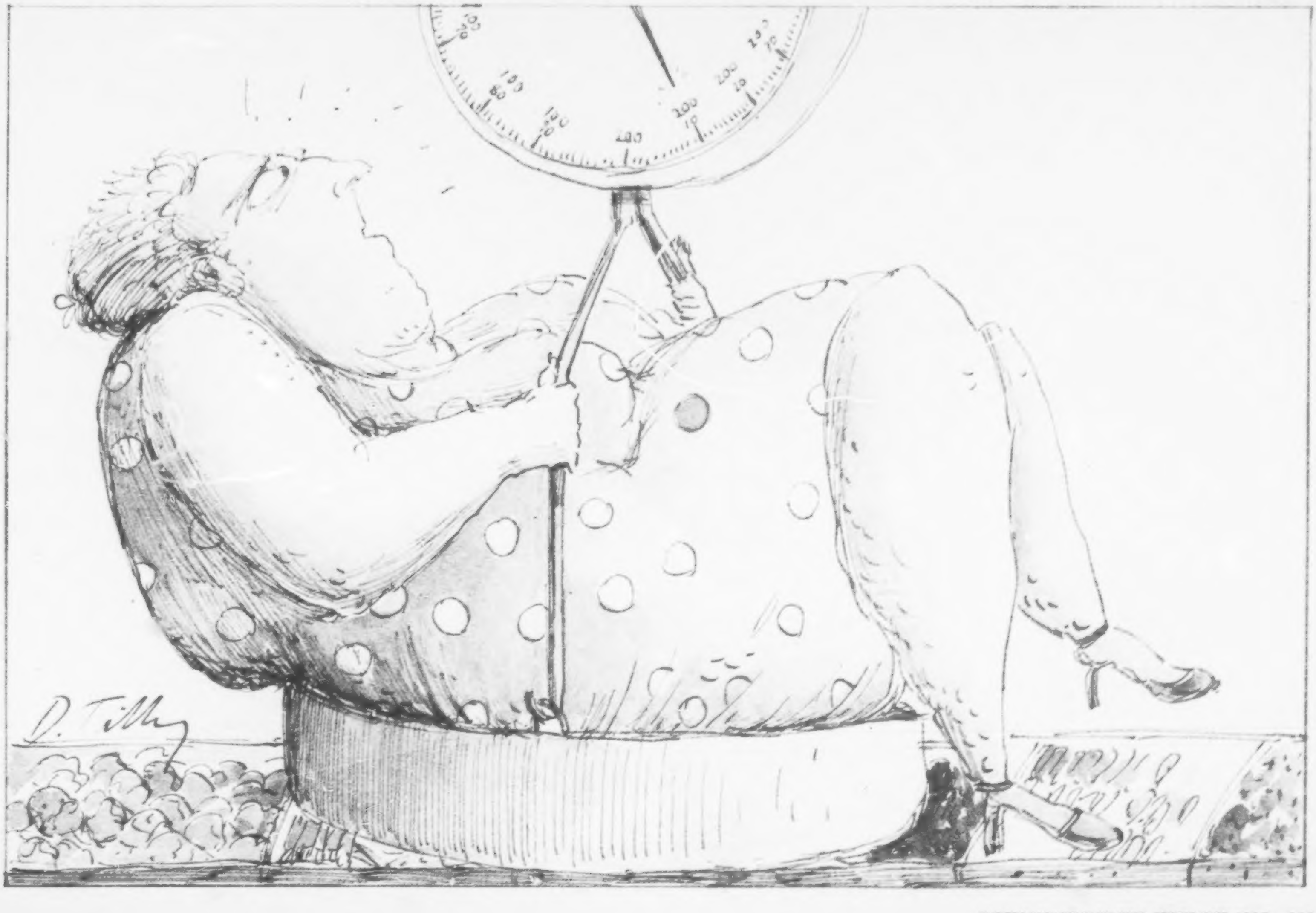

Illustration by Debbie Tilley

DIET FOODS

> The key word among diet food manufacturers is not low-calorie, but taste. Advertising testifies to this concept.

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Dan Thornton, marketing manager of brands, said that "in the diet fruit category, sales are off dramatically. In the past year, we've seen a decline of about 30 percent."

Thornton said that the Libby Lite line is performing somewhat better than the Diet Delight line; no new products were introduced in either last year although the Libby line did see a reintroduction of its "Chunky Mix," which was discontinued after the former marketer, California Canners and Growers, went bankrupt and the machinery was tied up during a court action.

Agreeing that "the popularity of so-called diet fruits is on the wane," Thornton said there has been no thought of either discontinuing or renaming the Diet Delight line; it is a "possibility" that consumers might react differently if the name were different, but Tri-Valley is not ready to make such a move, he said.

Some studies report that the popularity of low-calorie products can be seen in several trends. Interestingly enough, despite the fact that the word "diet" has been all but shunted aside, most people are believed to diet and to eat light foods to lose weight and improve their appearance; better health is not thought to be the overwhelming concern.

Looking good

Industry experts say that though food consumption remains remarkably consistent on a per capita basis, people are moving away from foods that are considered fattening or less healthy.

Between 1970 and 1982, for example, red meat consumption decreased by eight percent or 12 pounds per person per year, while poultry consumption increased by 31 percent or 14 pounds per person per year. Eggs were down 15 percent or 42 eggs per person per year, while natural cheese was up 36 percent or 6.8 pounds. Whole milk consumption went down 13 percent or 33 pounds per person during the period, while low fat milk was up a whopping 147 percent or 45 pounds per person per year.

A study by Frost and Sullivan, the research firm, estimates that of the more than $25 billion being spent on light and diet foods in the United States, reduced calorie food and beverages account for about $9.6 billion; reduced fat foods account for $8.5 billion; high fiber foods account for $2.6 billion; reduced caffeine beverages for $2.3 billion; low cholesterol foods for $1.5 billion; and low sodium foods for $1.3 billion.

In just about every category, sales by 1990 should rise dramatically, the report says; in reduced caffeine and high fiber foods, for example, sales are expected almost to double by the end of the decade, while reduced calorie food and beverages could see an increase in sales of some $10 billion to $19.5 billion by 1990.

But, while Americans demonstrably are moving in the direction of foods that will provide them with trimmer, more attractive bodies, the manufacturers of such products are not stressing these applications in their advertising and promotion. The key word, instead, is taste. One drinks Diet Coke (an exception to the no-diet rule) "just for the taste of it," and Amstel Light beer because "95 calories never tasted so imported," and Miller Lite because it not only is less filling, but offers great taste.

The attractive woman in the Stouffer's Lean Cuisine commercial tells her friends that she buys the prepared meals because they allow her to keep her stunning figure, but confides to us that she really buys them "for the taste." Actress Lynn Redgrave, who once starred on Broadway in a comedy called "My Fat Friend," now does commercials for Weight Watchers, telling potential buyers of that organization's frozen food line that "this is living, not dieting." And so it goes.

Chemical questions

Even recent questions over the safety of aspartame, the artificial sweetener marketed by G.D. Searle (Skokie, Ill.) as NutraSweet, seem not to have affected manufacturers using the chemical in food and its bold logo on product packages.

"Consumers far and away have told us that they prefer the NutraSweet products for taste," said Featherweight's Hvass, noting that during the past year her company has discontinued its saccharin-sweetened gelatin and pudding line because it was being dramatically outsold by its six gelatins and three puddings containing NutraSweet.

Indeed, Hvass said her company has no compunctions about tying its fortunes to aspartame, despite an ongoing review of the Food and Drug Administration (FDA) approval process being conducted by the federal General Accounting Office (GAO).

"Prior to introducing our NutraSweet desserts, we worked with Searle and we looked at and examined the myriad of consumer studies, and there were much, much more of them than with many other products." Hvass called the new probe unjustified, and said she feels "comfortable with the research" done to date.

At Searle, executives express the same confidence. Art Massa, a spokesman for the company, said that a current slowdown in new aspartame-sweetened products can be attributed to "the saturation of the categories in which we already have approvals."

Massa said "it is just a matter of time" before the current probe is closed in Searle's favor, and before FDA begins acting on new usage applications that include ready-to-serve gelatins, refrigerated teas, breath mints and chilled/frozen juices. While no applications have been filed yet on their behalf, another group of categories will likely see aspartame-sweetened brands in the near future, Massa said, including ice cream, yogurt, frozen desserts, flavored milk, jams and jellies and hard candy.

If NutraSweet is the latest chemical offering taste at decreased physical cost, then tofu—or soybean curd—is its natural counterpart. More tofu-based products were introduced during the past year, with such items as Gloria Vanderbilt's Glace, distributed by Dolly Madison; Tofree, from Columbo, Inc.; Tofulite, from Barricini Foods, Inc., and, of course, Tofutti, from Tofu Time.

Tofu is cholesterol-free and lactose-free. Ice cream-like products made from it usually are significantly lower in calories than ice cream. A spokesman for Barricini Foods said that while no research has been done on how many people eat tofu for medical reasons and how many are simply being health-conscious, the message the company is trying to get across is that "good nutrition can taste good." Again, the emphasis is on taste. "There is also a certain trendiness involved," the spokesman said.

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DRIED FRUIT

The nation's dried fruit retailers and manufacturers are hoping to gain more sales by positioning their products as anything but dried fruit.

What doesn't look like dried fruit, doesn't sound like dried fruit, doesn't come in a package like dried fruit, is in a different section of the supermarket than dried fruit, and, perhaps, even tastes better than dried fruit?

Answer: Dried fruit.

The old "a rose by any other name" gambit is being put to new and stringent testing by the nation's dried fruit retailers and manufacturers, who hope that by positioning their products as anything but dried fruit—which often brings to mind therapeutic rather than gastronomic functions—they can energize a lagging category.

In some cases, the strategy has been to relocate the category in the supermarket: some retailers are giving dried fruit greater visibility and attention by locating it with the fresh produce. "You know how it goes," said one retailer, who asked not to be identified. "If you have it on the grocery shelves, some stocker just tosses it up there and forgets about it."

Repositioning

In other cases, an attempt is being made to reposition the category itself in the collective consciousness of the American consumer. "If you want to sell it like an ingredient, you sell it the old way," said Karen C. Bachmann, a spokesman for Del Monte Corporation (San Francisco, Calif.). "But if you want to sell it like a snack, then you sell it like a snack."

Increasingly, this means new products, new line extensions and new formulations designed to appeal to an expanding range of consumer.

Bachmann's sentiments were echoed by Don Soetaert, senior vice president for sales, marketing and distribution with Sun-Diamond Growers of California (San Ramon, Calif.), which makes dried fruit products under the Sun-Maid, Sun-Sweet and Diamond labels, among others.

Soetaert said that the emerging strategy of referring to dried fruit as anything but dried fruit "has helped sales a lot," and that the national trend "towards natural products as healthy snacks has helped as well," working in tandem with distributors' plans to harvest a new dried fruit consumer.

Kid stuff

That new consumer may be a young one, if things work out as planned. While dried fruit products such as apricots and prunes generally are identified with an elderly age group, new product segments are being created that will bring dried fruit to the young. This new segment is known as the fruit roll segment, which uses centuries-old techniques in the development of a new snack using dried fruit.

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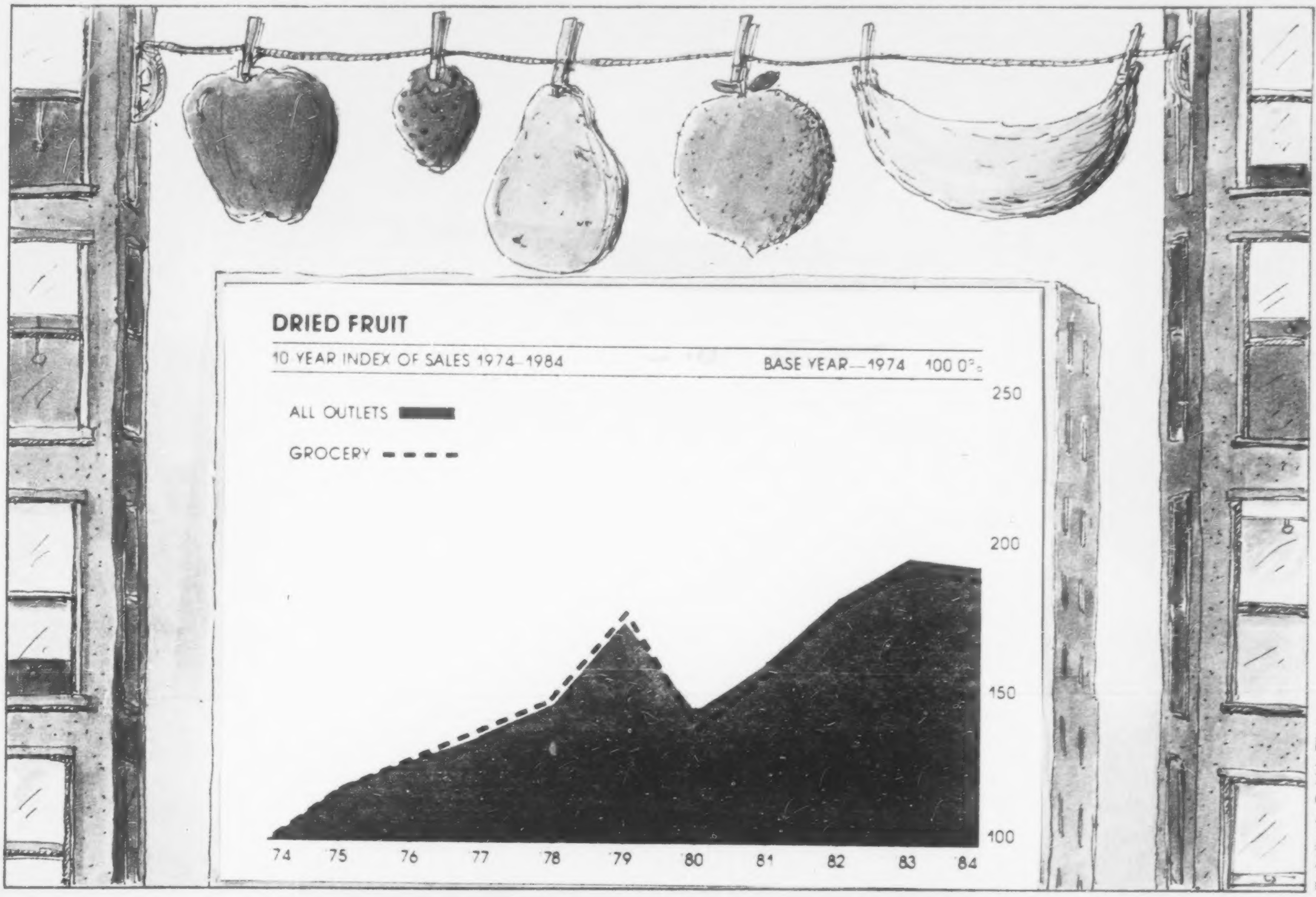

Illustration by Debbie Tilley

CONSUMER
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FROZEN FOODS

The big news in frozen foods this year has been the strong sales in upscale, single entrees and dinners, particularly those for the microwave.

The big news in frozen foods this year has been the strong sales in upscale single entrees and dinners, particularly those for the microwave, as changing demographics continue to alter the eating habits of working Americans, say supermarket buyers across the country.

In response to the demand, manufacturers are scrambling to extend their lines of fancy dishes as well as their reduced-calorie upscale products and have sent many of their older, more traditional frozen dinners that seem to be in a sales slump back to the shop for updating.

As sales of such brand names as Le Menu, Lean Cuisine, Dinner Classics, Classic Lite and Light & Elegant continue to climb, buyers give most of the credit for increased profits in the frozen category to the new work force, particularly to the growing numbers of working women who have little time to cook, single parent families, and to the increasing number of elderly shoppers who would just as soon not cook if given the choice.

Only the fact that expansion of a frozen food department often means remodelling the store has prevented more supermarket chains from increasing their shelf space. New and remodelled stores are making use of the newer high frozen food cases that can display more merchandise in relatively less space.

Trading money for time

"Today's Yuppie will trade money for time any day. Upscale dinners and entrees, that's the direction we're going today," said Jim Ghirardi, a buyer for Great Scott Food Markets, a chain of stores in Massachusetts and Connecticut and based in Canton, Mass.

Ghirardi noted that both regular dinners and the products aimed at health-conscious eaters have done well, as long as they're geared for the more upscale market. "Stouffer's white box items and Le Menu have been doing very well," he added.

Great Scott stores have also seen signs that Pillsbury's microwave ready pizzas are going to take off, and that Sara Lee's frozen croissants will be strong. Weaker areas are some of the more traditional. "Frozen potatoes and battered fish products seem to be soft. And the frozen juices have been hurt by the chilled juices," Ghirardi noted.

The company is looking for additional shelf space in the frozen department wherever possible and adding it as stores are remodelled, primarily because of the strong sales of the higher-priced items. "These products are profitable. Handling costs are the same

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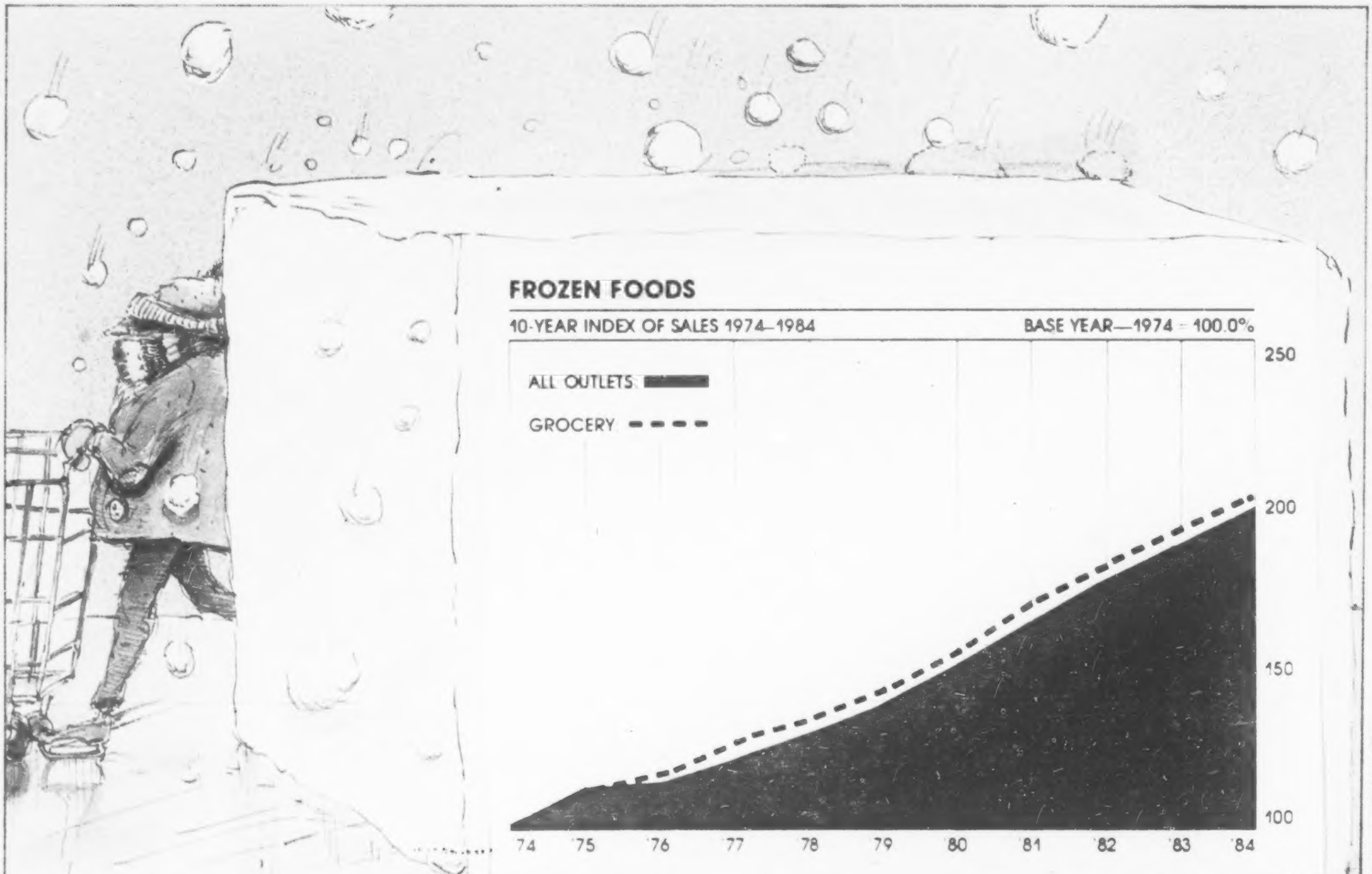

Illustration by Debbie Tilley

FROZEN FOODS

No area within the frozen food category "bombed out," with the possible exception of frozen desserts, where high prices seem to have inhibited shoppers.

regardless of the price of the item, so the upscale products are adding both net and gross profit," Ghirardi said.

Growth across the board

Jack DeMoulas, of DeMoulas/Market Basket stores, another New England chain based in Tewksbury, Mass., sees growth across the board in frozen foods. "There's a market for everything, as an overview there's room for everything," he said.

DeMoulas also noted that strong sales of the upscale entrees and dinners may be due to heavy advertising on the part of manufacturers. On the whole, however, he credits good sales in the frozen category to changing life-styles. "People are buying more frozen food because there are more working women and more single parents," he said.

In the Southeast, the trend towards upscale holds true even in some of the more rural areas. "Entrees and single dishes are the leading category, the expensive but good quality items. Particularly those that are marketed as microwavable rather than those that can also be used in a microwave are doing very well," said Mike Medders, buyer for Piggly Wiggly Southern's 82 stores in Georgia.

Medders pointed out that even in rural areas, where many of his company's stores are located, microwave-ready items are particularly popular and he also gives the new numbers of working women credit for this.

Observing that no area within the frozen food category "bombed out," with the possible exception of frozen desserts, where high prices seem to have inhibited shoppers, Medders noted that frozen foods seem to be strong even without advertising support. "We have one line of frozen pancakes that is very low key, but still moves well. If people like it, if the need is there, they get purchased without advertising," he said.

Piggly Wiggly has expanded frozen foods departments over the last three years to accommodate increasing demand as well as new products. "Our new stores have increased space. We've gone from coffin cases to the uprights because the new equipment can hold more product in the same space," Medders said.

Farther west, frozen foods have also been a strong growth category, again, with microwavable entrees leading the way. But there are also differences, probably for reasons of climate. "Frozen juices, cobblers and cream pies have all been heavy during the hot weather," said Tommy Biles, a buyer for the 100-store Furr's Inc., based in Lubbock, Texas. Other areas that have done particularly well for Furr's are frozen pancakes ("Working women especially like them," said Biles), and inexpensive pizzas, which the chain promotes heavily. Soft categories, as in most of the country, have included some of the old standbys such as potatoes.

On the West Coast, frozen juices are also doing good business along with the upscale products, but here the focus is definitely on health-conscious eating. "The microwavables are climbing, but there has not been

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DRIED FRUIT

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New products are being created that will bring dried fruit to the young.

Michael H. Loudon is senior manager for licensed products management with Sunkist Growers (Van Nuys, Calif.), which has licensed its name to Thomas J. Lipton, Inc. (Englewood Cliffs, N.J.) for use in four flavors of fruit roll: cherry, grape, orange and strawberry.

"Fruit rolls are positioned as an alternative to candy," Loudon said, noting that children are not users of most dried fruit products. "It is positioned towards children by using children's flavors. We don't have prunes, because prunes are not real high on children's priority lists."

In prune territory, however, it is with a certain defiance that the industry association has launched a new promotional campaign that says, in essence, that prunes is prunes. Elliott Belinn, marketing director of the California Prune Board, said that a recent advertising campaign identifying prunes as items of upscale culinary sophistication is being abandoned in favor of "serious stuff that will, in a responsible way dealing with serious issues, be hard-hitting stuff."

The campaign: To identify prunes as a prime dietary source of fiber, which has been labeled by the National Cancer Institute—not to mention by certain consumer package goods companies, such as Kellogg Co. (Battle Creek, Mich.)—as having cancer-preventing health benefits.

This campaign will be waged not only in the consumer press, but in retail stores as well, where promotions bringing various edible forms of fiber together in a single location will be encouraged by the California Prune Board.

Go figure

These bursts of promotional activity on the part of dried fruit retailers and manufacturers are a result of a lackluster 1984, according to industry observers. SUPERMARKET BUSINESS's Consumer Expenditures Study reveals that, considered as a category, dried fruit was a $579.7 million business during 1984, of which 75 percent, or $435.8 million, was earned in the nation's grocery stores.

These figures represent decreases from 1983—2.5 percent less than 1983's $594.6 million in domestic sales overall, and 1.4 percent less than the $442 million done in grocery stores during that year.

A breakdown of these figures indicates that the slight overall decrease seen in the category is deceptive; there were two larger decreases in specific segments, and at least two hefty increases. In grocery stores, dollar sales decreases were seen for raisins (-2.6 percent) and apricots (-10.4 percent), while increases were experienced in dates (6.7 percent), figs (7.2 percent) and prunes (1.3 percent).

Can't fool mother nature

Industry experts say that dried fruit, like fresh produce, is a difficult category to evaluate and predict in terms of sales and tonnage because so much of its success and failure can be traced directly to the vagaries of weather conditions.

Other conditions can play a role, too, such as economic conditions that go beyond the vineyards. "It's not a sexy category, but it is one that is subject to tremendous fluctuations of

FROZEN FOODS

Retailers credit good sales in the frozens category to changing life-styles. People are buying more frozen foods because there are more working women and more single parents, and time is of the essence.

a big surge. It's the light-calorie items that are building and entrees are one of the hottest items," said Lee Sala, of Raley's, based in Sacramento, Calif.

Sala noted that the less expensive dinners have fallen off and that a combination of prices and West Coast life-styles has hurt frozen dessert sales. "West Coast people are more prone to think about weight and health. They also may be buying from fresh bakeries more," he said.

Raley's would like to expand frozen departments but can't "because of high energy costs," said Sala. The chain's typical frozen foods department is about 385 linear feet which, according to Sala, is typical of West Coast supermarkets, and the relatively high cost of electricity prevents much expansion.

Upscale is the way to go

The pattern holds true in the central United States as well, where shoppers apparently have decided that upscale is the way to go, too. Referring to the higher-priced entrees and dishes, Larry Schillinger, a buyer for Borman's, a chain of 99 stores based in Detroit, said, "They represent a big part of increased business. Vegetable blends are also doing well, but the more traditional dinners and meat pies are a little lax."

Supermarket buyers generally agree that advertising and promotional support from manufacturers has been good in the frozen foods category, although they wish a little more might be given to some of the slower movers.

"Support in the form of couponing, advertising and allowances has been very strong," said Sala of Raley's. "Ads by the manufacturers do very well and there has been heavy coupon support," added Biles of Furr's. "The national brands are spending a lot of money in advertising," Medders of Piggly Wiggly agreed.

The frozen food manufacturers have not been sitting on their hands watching sales go up. Fierce competition in the new areas of entrees and upscale dinners has kept them on their toes.

Campbell Soup Company, for example, is developing additional products in its Le Menu line and has just introduced a series of light seafood entrees in the Mrs. Paul's line, according to James H. Moran, a company spokesman. In addition, Le Menu frozen croissants that were introduced regionally on the West Coast a few months ago and a line of Le Menu single entrees tested on the West Coast will both go national in the future.

Campbell is also testing a line of Casa Brava Mexican dinners in Denver and Salt Lake City, and has introduced a line of Great Starts breakfasts, including a new pancake with strawberries and a french toast. Breakfast sandwiches are being tested in Florida.

The company's Swanson line of traditional dinners is undergoing an $8 million face-lift program of 100 changes designed to upgrade the product and bring it more into line with the upscale eating trend of the 1980s. According to Moran, the initial changes have already brought about increased sales.

Finally, Campbell is in the process of phasing out the traditional aluminum tray. By the end of the year, changes to either fiberboard or plastic will be made to make the Swanson dinners microwave-ready like the Le Menu line.

Stouffer's also has been active, according to a company spokesman. Five new Lean Cuisine products were introduced this year, including Linguini, Stuffed Cabbage, Fish Jardiniere, Chicken a l'Orange and Chicken Cacciatore. Stouffer's has also reformulated its chicken and turkey pies. ■

—BOB MILLER

DRIED FRUIT

Its Fruit Snacks line is designed to capture sales in the healthful snack category.

price and availability because of market conditions," said one industry expert.

Raisins are a perfect example of this. During 1984, they enjoyed one of their best years ever in terms of tonnage and availability. Retailers report that their raisin sales were up in terms of units sold. And yet, because of prevailing market conditions, the dollar sales figures are down slightly and, at the agricultural level, the year in raisins has been nothing short of a disaster. In the coming year, farmers will be doing their best to rectify the situation, but their moves could have an impact at the consumer level.

Bob Phinney, a spokesman for the California Raisin Advisory Board, said that raisin volume for the crop year running from July 1984 to July 1985 was up by 22 percent or almost 17,000 tons, but that the field price, that earned by farmers, dropped from $1,300 per ton in the 1983 crop year to about $700 per ton in the 1984 crop year.

"The single biggest cause of this problem is that in the early-and-mid seventies, several famous California banks and universities, anticipating the growth of California wine as a category, said the growers couldn't plant grapes fast enough," Phinney said.

"But what happened was that foreign wines really started to grow here in the United States, and, in terms of tonnage, European wines were taking all the growth in the U.S. wine industry. The growth in California wines didn't materialize, and we couldn't sell the grapes to the wineries."

Phinney noted that at the same time, the American dollar was gaining strength abroad, making it increasingly difficult to export U.S. grapes overseas. As avenues of distribution were cut off, the cost of raisins tumbled.

But this could change. Phinney said that raisin producers have agreed on a voluntary basis to establish a program for the coming marketing year that will cut back on the amount of raisins offered to the market; of the anticipated 300,000-to-350,000 tons of raisins that could be available this year, roughly 60,000 tons will be "diverted" away from the marketplace.

"The effect will not only be to jack up the prices, but to take care of the surplus we've had," Phinney said. "Eventually, if things firm up a bit, the growers' price should come up a little bit." Phinney defined "a little bit" as 10 percent, but suggested that retail prices should not go up by that much.

Sun-Diamond's Soetaert said that Phinney's estimates likely are accurate, and predicted that cost increases should not damage the retail market for raisins.

"You're trying to get values across to consumers, and if they

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CONSUMER
EXPENDITURES
STUDY

GREETING CARDS

Greeting cards provide supermarkets with a terrific growth area. Humorous cards are where the strongest demand is.

They can be funny or sad, clever or just plain dumb, but regardless of the message there's plenty of good news to be read in supermarkets' involvement with greeting cards. Lured by high profit margins and solid manufacturer support, sales for the category increased 17.5 percent in grocery stores last year on $364 million worth of business, according to the 1985 SUPERMARKET BUSINESS Consumer Expenditures Study.

Supermarket buyers and manufacturers claim that card sales in food stores, spurred by the growing numbers of consumers too busy with work and families to go to specialty stores, reflect a national trend towards more casual and humorous products, as well as more sophistication.

According to Jeff Jones, executive director for American Greetings Corporation's national markets, the greeting card business now exceeds $3.2 billion annually. Some 7.6 billion cards are sold each year, which amounts to an average per person of 30 cards a year.

Supermarkets' noteworthy success

The fastest-growing channel of the card industry has been supermarkets, Jones noted. "The greeting card department features products with traditionally high margins and manufacturer-supplied merchandiser service support programs that minimize labor investment. Manufacturer-supplied fixture programs even eliminate the need for investment in expensive display equipment," he recently told members of the Food Marketing Institute (FMI).

Industry observers predict that by 1990, supermarkets will claim 20 percent of all greeting card sales. The growth has been brought about largely by the supermarket industry's determined attempt to provide a shopping venue in which the consumer can purchase all his or her needs in one store. Supermarket chains that have tested greeting cards seem to agree that there is strong potential for profit.

"We've recently started card departments and they're doing very well," said Jerry Hebda, buyer for Food Giant/Big Apple Super Markets, a chain of 84 stores based in Atlanta.

Buddy Colmer, a buyer for Brookshire Bros. (Lufkin, Tex.), a 47-store chain with outlets in Louisiana and Texas, also is enthusiastic. "The sales in cards are growing and we're expanding our departments," he said. While many supermarket chains use only one supplier, Brookshire uses three, and Colmer noted that year-round card sales are increasing, with humorous products leading.

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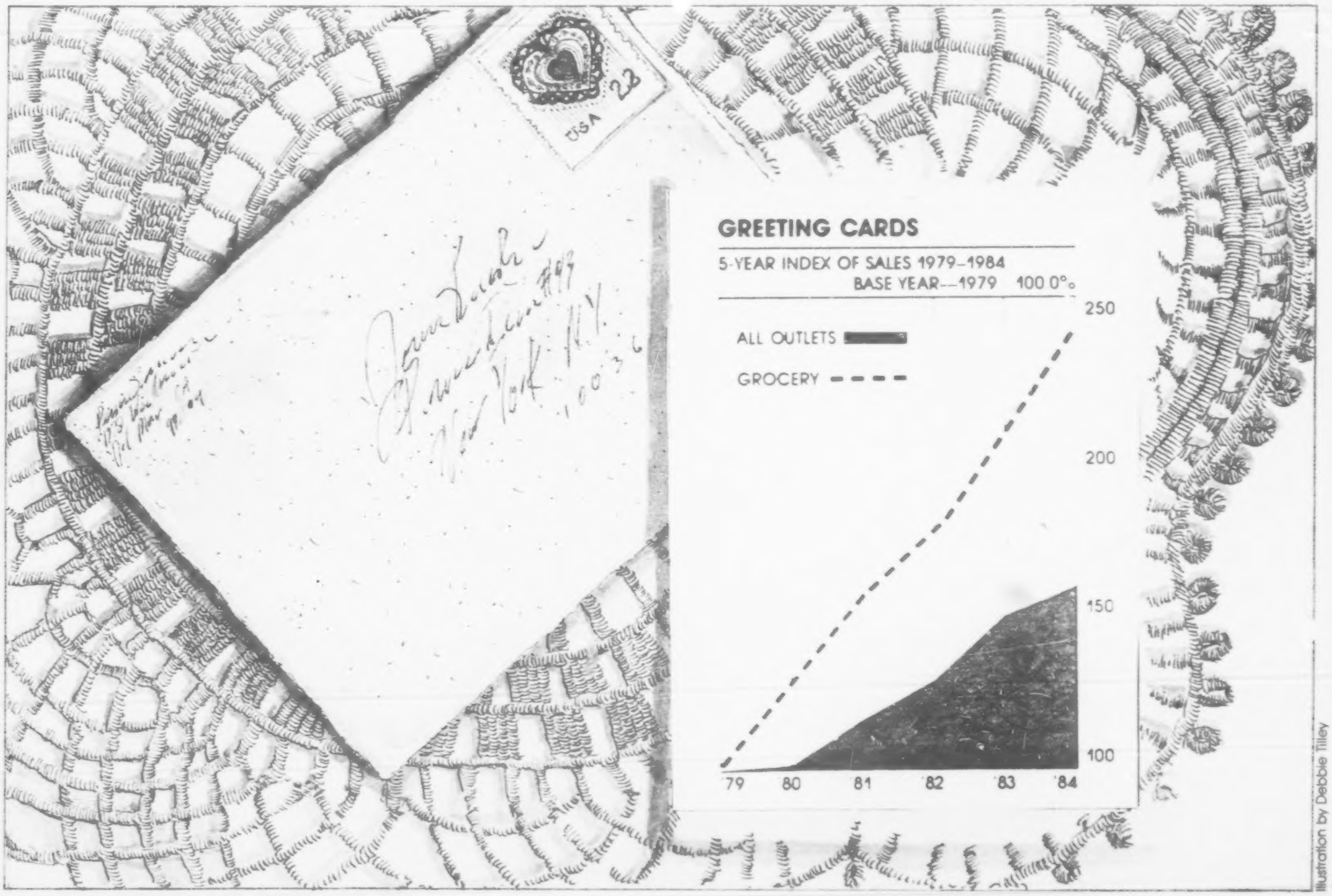

Illustration by Debbie Tilley

GREETING CARDS

One of the fastest rates of growth is in auxiliary products, such as gift wrap, party goods, stickers, candles and writing papers.

Continued from page 153

Laughter is the best selling tool

Lowe's Food Stores, a chain of 85 stores in North Carolina and Virginia, also has installed card departments and James Messer, a buyer for the company, indicated that while there were no clear cut trends, humorous cards tend to do better than others. Messer also noted that floor traffic sales for special occasion cards continue to do particularly well.

In the Midwest, a growing number of supermarket shoppers also seem to be hungry for greeting cards. "We're putting cards in wherever possible as remodelling takes place. Sales are good and profits are excellent," said Dale Van Ess, merchandiser for Schultz Sav-O Stores, which is based in Sheboygan, Wis., and operates 40 stores in Wisconsin and 29 franchises in the Midwest.

Schultz uses only one supplier, Gibson Greeting Cards, Inc., and like many supermarket chains the manufacturer also does the store displays. Allotting eight to 10 feet for seasonal cards, Van Ess observed that the seasonal sales continue to be a major part of the department's business. Because all Schultz stores do not have card sections, the company does little advertising.

Farther west, Rice Food Markets, Inc., a chain based in Houston, is expanding card departments where sales and space warrant, according to Ralph Cohen, senior vice president of the company. Noting that the company's smaller stores have only seasonal card sections, Cohen said, "There's a trend towards humorous and sophisticated rather than the routine cards."

Rice Food uses two suppliers. "We do some of the display and they do some," Cohen added.

A close connection

The close connection between supermarket and supplier applies in most of the country's largest chains. A&P, with more than 1,000 stores, uses only one supplier but the chain itself does whatever advertising or promotion for card sales there are.

Two factors have influenced A&P's entry into greeting card and related product sales: the profit potential and the time-tested supermarketers' desire to develop a reputation for providing whatever the customer may be looking for.

"Initially we had eight to 10 feet for cards. Now that is not satisfactory. This is a growth area and in general merchandise there are higher margins and good turnover. We also have to develop a reputation that our customers can depend on having a wide variety of selection," said William J. Vitulli, an A&P vice president.

Vitulli also noted that humorous cards are where the strongest demand is. With the size of many A&P's newer stores reaching as much as 55,000 square feet, card departments have been significantly enlarged.

Manufacturers have worked hard to foster the supermarket/supplier relationship that seemingly benefits both parties. Jeff Jones, of American Greetings, frequently stresses the cost-saving value of having the supplier do most of the work.

His company has also developed guidelines for use by supermarkets setting up card departments, with space allocation suggestions divided into various department sub-categories, such as everyday, seasonal and promotional cards and auxiliary products.

Auxiliary products

One of the fastest rates of growth is in auxiliary products, according to Mark Schwab, senior product manager for Ambassador, a division of Hallmark Cards. Referring to such products as paper goods, gift wrap, party goods, stickers, candles and writing papers, he said, "These represent significant growth and the majority of our business is through supermarkets. Gift wrap and party goods are doing particularly well as more and more consumers are looking to fill their shopping needs in supermarkets."

In gearing its marketing for sales in supermarkets, combos and discount chains, Ambassador did some research into the demographics of the consumer and decided to go after the woman shopper between the ages of 18 to 34 as well as the growing numbers of working couples and working women.

In further research, the company determined that card shoppers were looking for convenience above all, easy and quick selection and more casual, humorous cards and products. These studies will be reflected in the company's new products, according to Pam Kanter, senior product manager for cards.

"Beyond a shadow of a doubt the growing interest in cards will be an area of expansion in supermarkets," she said, stressing the importance of display in order to catch the eye of a shopper with little time to browse. "Consumers don't come to supermarkets to browse," she noted.

Humor in sports

Ambassador's new product lines for the coming months will include a series of promotional cards that highlight humor in sports, illustrated by artist Gary Patterson, and the Americana Collection, a series with a nostalgic, country flavor, in response to consumer demand for more casual, laid-back themes, according to Kanter.

In the auxiliary products division, Ambassador has given a complete update to its party goods line, also in keeping with research that indicated consumers were looking for more casual entertainment ideas and products. Initial sales figures indicate strong interest, according to Schwab. Ambassador has also just introduced a new line of party favors and accessories to fulfill all party needs.

Gibson Greeting Cards and its Buzza division also stress the importance of a diversified product line. The company markets a variety of paper products, in addition to cards.

Gibson just signed an exclusive licensing contract with Disney this past June for all cards and related merchandise. And though these personalities may be perceived as appealing mainly to the young, Peter Shapleigh, national sales manager for supermarkets, noted that these lines are marketed more toward adults.

Shapleigh noted that his company's growth rate in supermarkets actually exceeded the industry average. Although he would not reveal precise sales figures, he said, "We are without a doubt the fastest growing company in the supermarket industry. We're in the Publixes, the Krogers, the Safeways. We have the best track record in keeping our commitment to the retailer. If we say we'll be in the store three times a week, we're in there three times a week."

He added that Gibson was "probably" the last major card company to enter the supermarket business, but said that in 1968, with the arrival of Tom Cooney as president, the company decided to become "chain-oriented."

Among those innovations are doing away with drawer inventory—Gibson replaced it with more shelving displays—and an electronic entry reorder system, which Shapleigh said cut product turnover, for those stores with checkout scanners, in half.

All Gibson cards and paper products have UPC bar codes, which are scanned at the register, then sent to the chain's terminal, which contacts Gibson's terminal, where the information is automatically routed to the marketing department, thus cutting downtime for orders.

Gibson also emphasizes a commitment to larger departments, which Shapleigh said are critical to growth, and free-standing seasonal displays that are put on the floor 10 days before major holidays, often in areas outside the department.

"Twelve years ago, they thought a 12-foot department was big," he said. "Today you see 60- to 120-foot displays and bigger. The key today is selection and party goods, paper goods, candles and life-style types of merchandise, like the Disney and Garfield lines."

Gibson heavily promotes its lines throughout the year. A current promotion, which broke Aug. 15 and runs through the end of September, is the Walt Disney Sweepstakes. Hawked with instore header display cards on top of the 10-foot Disney display case, the contest will give away 30 trips for four to Walt Disney World in Orlando, Fla., as well as hundreds of Mickey Mouse and Donald Duck telephones and watches.

Cross-merchandising is employed rarely, and only with party papers and birthday candles placed in the bakery department. But Shapleigh said the key to future growth is in line extension and ample department space for the category, preferably located next to a high-turn section. "We think that's how you promote the greeting card department," he said. ■

—BOB MILLER

GM'S* 10 FASTEST GAINERS

Rank	Category	1984 Grocery Store Sales (000)	% Increase From 1983
1	Greeting Cards	363,933	17.5
2	Vacuum Bottles	26,015	13.8
3	Records & Tapes	192,530	13.5
4	Coloring Books	21,207	10.8
5	Batteries	435,073	10.7
6	Men's Hosiery	50,588	10.6
7	Panty Hose	718,656	9.7
8	Film	550,193	9.2
9	Film Processing	226,641	8.8
10	Paperback Books	130,718	7.8

*Excludes HBA/Rx

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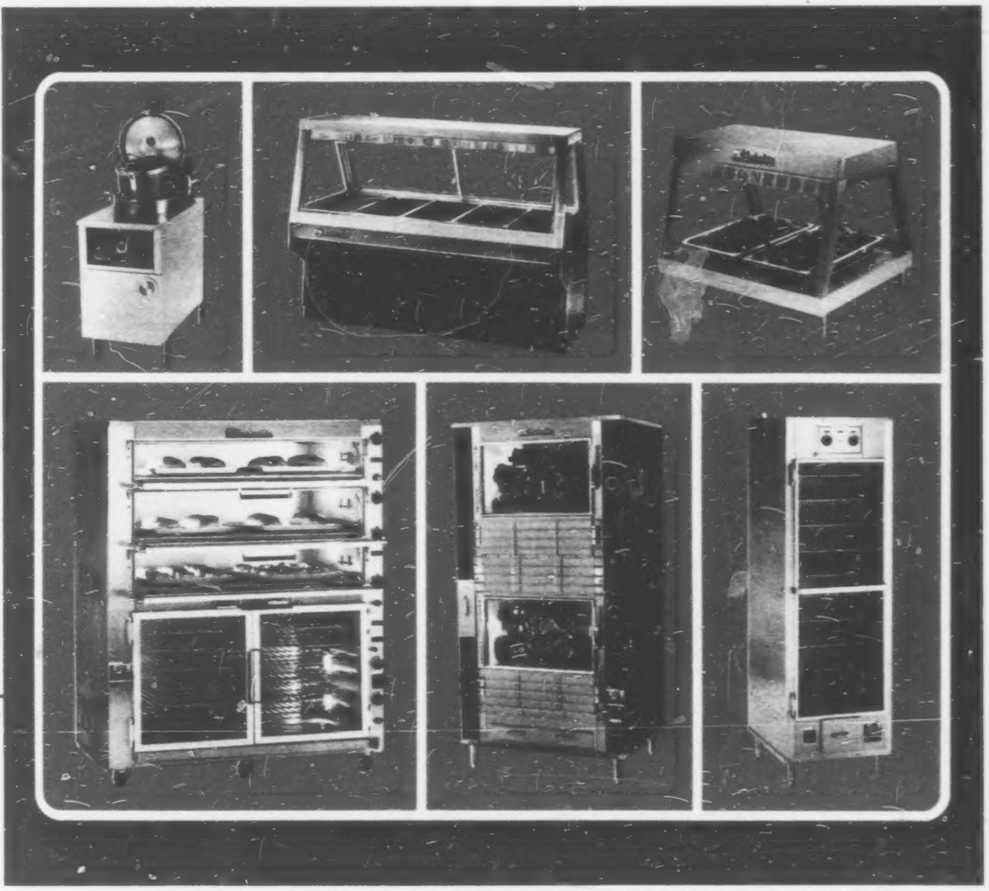

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HEALTH & BEAUTY AIDS

From dieting products to hair mousses, it was a lively year in the health and beauty aids category. Toothpaste sales were generally dull, but were helped along some by the success of the new pumps.

In a time of far-reaching weight-consciousness, it should come as no surprise that the metered calorie meal called Slim-Fast became the health and beauty aids Comeback of the Year in 1984 and helped lead the entire Dieting Aids group to a very healthy 21.4 percent yearly growth.

Slim-Fast was originally introduced in the late 1970s, but it soon lost favor with consumers because it was shelved with liquid protein diets, which proved to be unpopular, according to the manufacturer's spokesman, Don Siegal of Thompson Medical Co. (New York).

But last year, Thompson Medical saw that the Cambridge Diet, which was being sold door-to-door, was helping sales of Slim-Fast in the few stores where it was still stocked, and Thompson decided to mount a major offensive. Distribution was expanded and ads came out pointing the advantages of Slim-Fast over its competitor: better nutrition, better taste and lower cost.

Success breeds success

Success has bred success and with it the outpouring of four or five flavors of the Slim-Fast dietetic milkshake, Slim-Fast bars, Slim-Fast hot cocoa, and just-introduced Slim-Fast cookies.

However, Siegal says a grocer is wise not to shelve the Slim-Fast cookies in the cookie section and the dietetic cocoa on the cocoa shelves. Instead, he suggests putting all of the Slim-Fast products in an end-aisle gondola for maximum consumer visibility and profits.

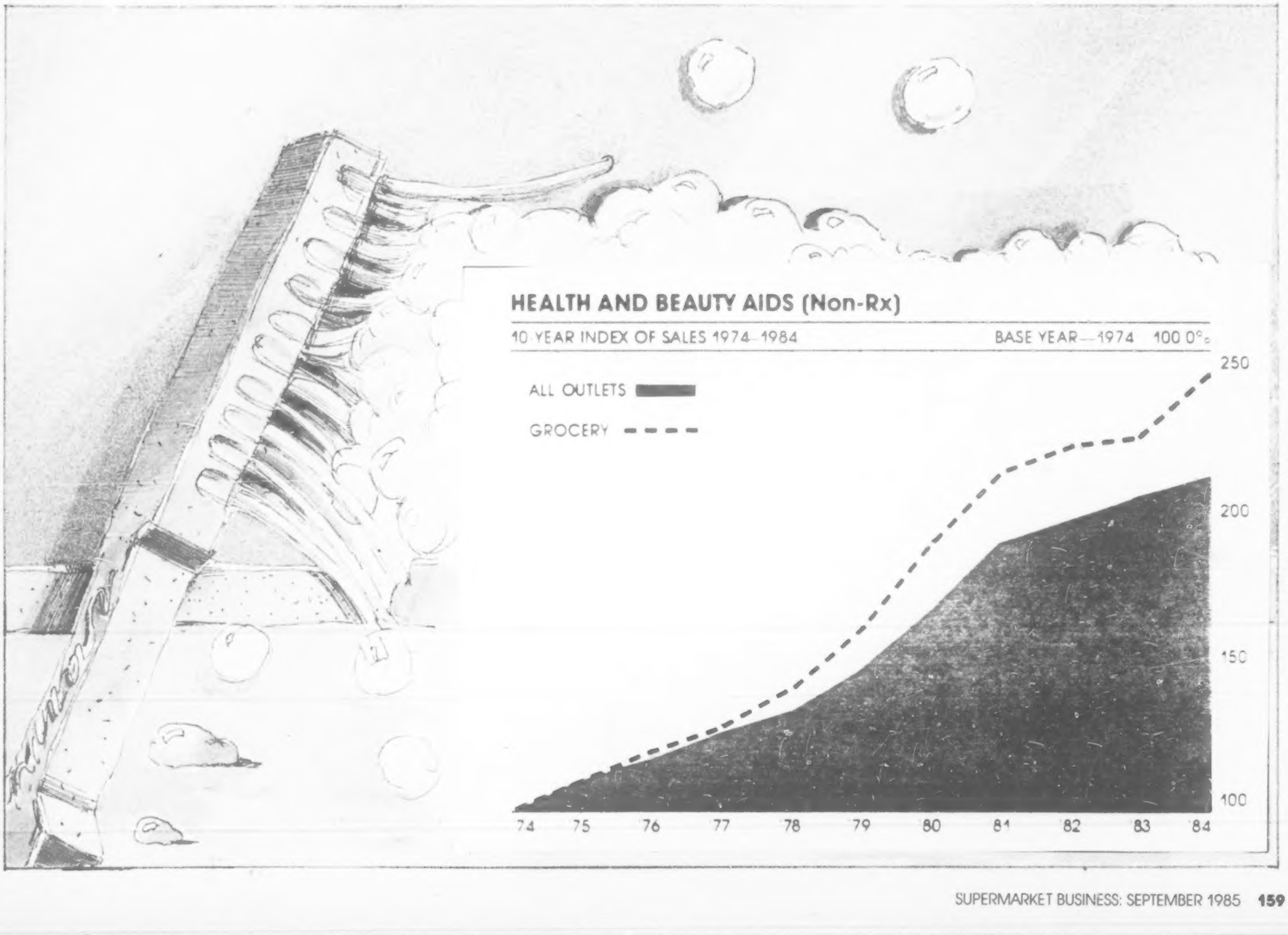
He says that Slim-Fast is the most requested brand by shoppers looking to lose a few pounds and that the line is filled with fast take-away items at very hefty prices, averaging about $5 each. Yet that is still lower than the original Slim-Fast Milkshake's suggested retail of $7.99, a price that Siegal says was lowered in the face of competition.

While he doesn't see any serious contenders in the grocery store, Thompson Medical will try to beat back potential inroads by the door to-door Herbalife products by comparison advertising and hope to take some of the existing sales away from Herbalife, too.

Biggest increase

The other Thompson Medical product to distinguish itself was Dexatrim 15, which helped the Reducing Preparations segment of Dieting Aids experience a 35.3 percent growth, the biggest increase of any HBA segment in 1984.

The basic Dexatrim, a phenylpropanolamine-based product, has been around for years. What makes Dexatrim 15 different is three extra hours of hun-



HEALTH & BEAUTY AIDS

By far the most stylish success was in the mousse category. Retailers have begun to cut down on space given to hair sprays to accommodate the mousse products.

ger control, setting it apart as the longest-lasting appetite suppressant on the market. Siegal says the three additional hours take care of the late-night craving temptation.

The mousse is loose

In hair care, consumers were met with a stampede of mousses and gladly followed the herd. About 40 to 50 brands are out now in a market that grew from zero in October 1983 to a projected $200 million for calendar 1985. As late as this past May, mousse sales were growing by more than 20 percent bimonthly, according to A.C. Neilsen figures.

Despite the brand proliferation and universally expected shake-out, Alberto-Culver (Chicago), maker of the top two selling Alberto Mousse and VO 5 Mousse for Men, is planning to come out with a gel and a variety for color-treated hair to meet additional market demands.

L'Oreal, traditionally not as big of a supermarket name as Alberto Culver, is making a bigger push into groceries for its No. 1 selling mousse L'Oreal Free Hold and plans to continue its massive advertising support to keep the brand the most popular. Yet, drug stores are the most popular outlets for mousse sales.

"The drug chains have done a better job with mousse (even though) the traffic at supermarkets is four to five times higher," says Alberto Vice President and General Manager of Consumer Products Douglas McAuley.

Responding to the worry that mousses cannibalize hair spray sales, both Alberto and L'Oreal point out that over 60 percent of consumers who use hair spray also use mousse. Yet, hair sprays for women, the lioness's share of the market, was decidedly flat, growing by only 0.4 percent last year. Also, the sales of conditioners were relatively flat.

Cutting back on hair sprays

With these trends, Frances Haerer-Laible, director of general merchandise for Save Marts Inc. (Modesto, Calif.), says her stores are cutting back on the number of sizes of hair sprays to make way for the mousses. She's also cutting back on the varieties of deodorants and slow-moving brands because of lackluster sales.

Nationally, the entire category of Personal Deodorants and Antiperspirants was up 7.3 percent with stick deodorants leading the pack with a 10.9 percent increase and feminine sprays losing favor with a 4.3 percent decrease.

Toothpaste sales were generally dull (up by 2.8 percent), but Terry Borne, general merchandise manager for Nash-Finch Inc. (Minneapolis), says the success of the new pump toothpastes, such as Colgate, gave him something to smile about. The smaller size tubes are being removed to make way because they don't give value to the customers, he says.

Jim Mason, director of Pharmacy and HBA for Consumers Market, Inc. (Springfield, Mo.) agrees. "Pump toothpaste sales have been much better than expected."

He's also been pleased with the sales of Tartar Control Crest.

The ibuprofen products such as Nuprin (Bristol-Myers) and Advil (Whitehall) are not going anywhere, says Mason, a registered pharmacist, for two reasons. First, the dosage is low compared to the amount found in a tablet of the prescription drug Motrin.

Secondly, to get the same dosage of the drug, an ibuprofen prescription user has to take more of the over-the-counter pills and pay more than he or she would for Motrin. He doesn't think the ibuprofen sales will be impressive until McNeil Consumer Products Company maker of Tylenol, comes out with its brand next year.

Looking back at 1984, Mason says the instant coupons were among the most effective instore promotions his stores had. These are the coupons that are attached to the products and can be redeemed at purchase time.

Razor sales were bleeding (down 5.3 percent), but the giant, Gillette, is coming forth with new progeny, according to Greg Niblett, public relations manager for the razor division.

And, with the increased number of brands comes a trend

Continued on page 175

HBA'S 12* FASTEST GAINERS

RANK 1984	RANK 1983	ITEM	'84 GROCERY STORE SALES (000)	% INCREASE FROM 1983
1	[illegible]	[illegible]	[illegible]	[illegible]
2	[illegible]	[illegible]	[illegible]	[illegible]
3	[illegible]	[illegible]	[illegible]	[illegible]
4	[illegible]	Contact Lens Solutions	[illegible]	[illegible]
5	12	Sleeping Aids (Non-Rx)	[illegible]	[illegible]
6	[illegible]	[illegible]	[illegible]	[illegible]
7	[illegible]	Eye Lotions, Washes	[illegible]	[illegible]
8	[illegible]	[illegible]	[illegible]	[illegible]
9	[illegible]	[illegible] Products	41,344	[illegible]
10	7	Cold Tablets, Capsules	280,724	[illegible]
11	[illegible]	Hand & Body Lotions	131,151	12.2
12	—	Hypoallergenic Infant Formulas	211,185	12.1

*Non-Rx only **Not in HBA 12 Fastest Gainers in 1983

HBA'S TOP 10* IN 1984

RANK 1984	RANK 1983	ITEM	'84 GROCERY STORE SALES (000)	% INCREASE FROM 1983
1	1	Internal Analgesics	789,781	9.2%
2	2	Shampoos	727,644	[illegible]
3	3	Routine Infant Formulas	694,300	8.3
4	4	Toothpaste & Powder	644,834	2.8
5	5	Sanitary Napkins	593,081	5.3
6	6	Vitamins & Tonics	491,220	
7	7	Eye Makeup Products	452,630	7.6
8	8	Razor Blades	301,056	0.6
9	9	Cold Tablets & Capsules	280,724	12.7
10	10	Tampons	238,062	5.5

*Non-Rx only

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SAMI UPDATE

All Eight HBA Product Groups Share in Sales Vitality

In the most recent reporting period, the leader in growth at food stores has been health and beauty aids. Sales in all HBA categories combined showed that SAMI measures rose 4.5 percent over the level in the corresponding period a year ago.

BY ALAN MILLER, JR.

During the four-week reporting period ending June 21, 1985, sales in all HBA categories combined measured by SAMI rose 4.5 percent over the level in the corresponding period a year ago.

This gain rate was approximated only by the growth among refrigerated foods, which advanced 3.5 percent in unit volume. There was an increase of 1.6 percent in the dry grocery: nonfood items, a modest increase of 0.6 percent for dry grocery: food items, but a loss of half a percent was recorded among frozen foods, which appear to have run out of steam in the growth that resulted from the launching of new lines of high quality entrees and dinners.

In all 370 SAMI categories combined, the 28-day growth amounted to 1.1 percent. Thus, the HBA performance was at a level more than four times the average increase.

The plus column

In the preceding four-week period, losses were found in the oral hygiene and shaving needs product groups. However, four weeks later all eight product groups were in the plus column paced by a gain of 9.9 percent among skin care aids and 8.6 percent for hair care needs.

More modest gains amounting to one percent for shaving needs and 2.2 percent for deodorants and baby needs were registered. The gain in the highest volume product group, proprietary remedies, amounted to 3.8 percent, surpassing by a considerable margin the 0.8 percent gain for these over-the-counter items in the May reporting period.

There was a ratio of just under two to one gains over losses at the product category level measurement with gains outpacing losses 33 to 17. The highest gain rate (178.5 percent) continues to be found in the hair setting needs category, where by now nearly every marketer of hair products has brought forth an entry in the hair styling mousse derby.

There were eight categories in which the four-week unit sales gain rate was a double-digit increase, including a 26.2 percent rise for eye care products, 17.9 percent for sleeping aids, and 14.0 percent for hand and body creams and lotions. The categories with the sharpest rates of decline other than the low-volume proprietary tranquilizers category, were: appetite suppressants, -11.9 percent, home permanent kits, -11.8 percent, cream deodorants, -11.7 percent and after shave lotions, -10.8 percent.

Baby's up

Of the four categories in the baby needs product group, two enjoyed four-week increases: nursery supplies (7.8 percent) and baby powders (3.6 percent). There was a small loss in the baby oils, creams and lotions amounting to half a percent while the decline for infant clothes was 8.4 percent, slightly more than the 8.3 percent loss on an annual basis.

Five out of eight deodorant categories were on the plus side of the ledger paced by foot deodorants and athlete's foot remedies—ahead 10.5 percent, and stick deodorant and pads recording a gain of 10 percent over the corresponding year ago period. Volume for feminine douches rose 8.6 percent and feminine hygiene deodorants advanced 7.3 percent. The loss rates are found in categories with volume siphoned off to sticks: creams (-11.7 percent) and roll-ons, off 3.5 percent.

Much of the lost volume in the spray deodorant category was the result of weakness for the body sprays, which have not been bearing up well during the repeat purchase cycle.

Both categories of first aid have shown gains on a four-12-52-week basis. During the four-week period, the unit volume of antiseptics and first aid products combined rose 4 percent, or about twice the 2.1 percent gain rate on an annualized basis.

Home permanents down

The only negative trend out of seven hair care needs categories was a four-week loss rate of 11.8 percent among home permanent kits. As is often the case, new products were responsible for growth in the shampoo, hair spray and hair conditioning rinse categories.

The most important launchings were Ivory, Halsa, Atune, Lilt and White Rain in the shampoo category; Atune and Perma Soft among hair sprays and Ivory, Halsa, Rave, Atune, Dimension and Lilt in the case of hair conditioning rinses.

In the still-burgeoning hair setting needs category, hair styling mousses appear under the brand names L'Oreal, Alberto, Vidal Sassoon, Suave, Breck, Gelle, Jheri Redding, Faberge and Aqua Set and Wella Balsam. Each of these entries accounts for more than $1 million in annual food store volume.

Losses are still found in two of the oral hygiene categories: -9.2 percent for denture cleaners and 2.1 percent for denture adhesives. However, the volume stemming from pump dentrifrices has allowed the toothpaste and powder category to move into the plus column—four-week sales increased 1.1 million units or 3.3 percent. Mouth wash sales were also strong as a result of the completion of the national roll-out of Listermint Fluoride and the strong performance of Listerine. Toothbrush volume was ahead 6.8 percent.

Sleeping aids pick up

Among the 13 categories of proprietary remedies tracked by SAMI, the score was eight to

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five, increases over losses. The two categories with the highest four-week gain rates, eye care products and sleeping aids, are also those with the best sales increases for the full year.

Three of the five categories experiencing declines were among the categories with the lowest unit sales rate within the proprietary remedy product group: tranquilizers, appetite suppressants and chest rubs. Losses of 2.2 percent for external analgesics and 0.7 percent for laxatives and stool softeners complete the rundown of weak over-the-counter remedy categories.

Cold tablet volume advanced 6.9 percent while sales of nasal sprays (1.8 percent) and cough remedies (0.4 percent) experienced more modest rates of growth. Sales in the highest-volume proprietary remedy category, internal analgesics, were 2.9 percent ahead of the year earlier level, helped in part by the continuing growth of Tylenol and as a result of national roll-outs of Advil, Nuprin and Encaprin.

Disposable blades strong

There are still three categories of shaving needs in which current volume lags behind the year ago period: pre-shave lotions (-2.4 percent), after shave lotions (-10.8 percent) and razors and blades (-2.7 percent). Increases of 4.4 percent for shaving creams and 1.5 percent for razor blades were sufficient to cause a gain of 1.0 percent in the product group. The increase for razor blades was due in large measure to continuing strong sales performance of disposable razors, particularly Bic and Schick.

There was only one category in the skin care aids product group with a minus sign—suntan oil-suntan lotion volume trailed 4.9 percent behind the 1984 pace. However, this loss in units was obliterated by the strong performance for hand & body creams-lotions (14 percent), facial preparations (12.9 percent), lip care products (12.6 percent) and cosmetic & medicated skin aids (8.7 percent).

Thus far in 1985, food store sales have been pretty much standing still in comparison with 1984 levels. In the June reporting period, the leader in growth has been health and beauty aids, which have at least temporarily replaced refrigerated foods as the pace setters.

Continued strong performance in the second half can cause this department to take over the leadership spot, which frozen foods are now relinquishing as some of the new entree and dinner lines run out of steam. ■

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

	% CHANGE VS. YEAR AGO		
PRODUCT GROUP AND CATEGORY	4 WEEKS ENDING 4/26/85	4 WEEKS ENDING 5/24/85	4 WEEKS ENDING 6/21/85
BABY NEEDS	**− 0.3%**	**+ 3.4%**	**+ 2.2%**
Baby Powders	+ 1.3	+ 8.3	+ 3.6
Baby Oils, Creams & Lotions	+ 1.1	+ 1.8	− 0.5
Infant Clothes	−21.6	−14.0	− 8.4
Nursing Supplies	+ 7.1	+ 8.1	+ 7.8
DEODORANTS	**+ 0.0%**	**+ 6.1%**	**+ 2.2%**
Sprays	− 9.4	− 1.4	− 3.9
Roll-Ons	− 5.9	− 1.7	− 3.5
Stick Deodorants & Pads	+ 9.3	+18.5	+10.0
Creams	−11.0	− 7.2	−11.7
Deodorants & Talcum Powders	− 1.9	± 0.0	+ 3.1
Feminine Hygiene Deodorants	+ 3.8	+11.8	+ 7.3
Foot Deodorants & Athlete's Foot Remedies	+16.2	+11.9	+10.5
Feminine Douches	+ 9.0	+ 9.6	+ 8.6
FIRST AID	**+ 7.3%**	**+ 6.5%**	**+ 4.0%**
Antiseptics	+14.3	+ 7.2	+ 4.8
First Aid Products	+ 5.4	+ 6.3	+ 3.7
HAIR CARE NEEDS	**+ 5.2%**	**+ 6.4%**	**+ 8.6%**
Shampoos	+ 2.0	+ 1.1	+ 0.6
Hair Sprays	+ 0.0	+ 6.3	+ 9.5
Hair Conditioning Rinses	+ 1.7	+ 4.5	+ 9.8
Hair Setting Needs	+200.3	+132.7	+178.3
Home Permanent Kits	−14.3	− 7.6	−11.8
Hair Coloring	− 3.8	+ 7.1	+ 3.2
Hair Dressing Needs	+ 1.9	+ 4.3	+ 5.2
ORAL HYGIENE	**− 3.1%**	**− 4.4%**	**+ 3.7%**
Toothpastes & Powders	− 6.6	− 6.5	+ 3.3
Mouthwashes	+ 5.4	+ 2.1	+ 7.9
Breath Fresheners	+10.3	− 2.7	+10.5
Denture Cleaners	− 0.2	− 6.0	− 9.2
Denture Adhesives	− 2.2	− 3.2	− 2.1
Toothbrushes	+ 3.0	− 0.7	+ 6.8
PROPRIETARY REMEDIES	**− 1.7%**	**+ 0.8%**	**+ 3.8%**
Antacids	− 3.2	+ 2.8	+ 5.1
Internal Analgesics	+ 0.8	+ 4.1	+ 2.9
External Analgesics	+ 8.0	− 0.5	− 2.2
Cold Tablets	+ 1.3	+ 1.9	+ 6.9
Nasal Sprays—Drops—Inhalers	+ 0.8	− 2.2	+ 1.8
Chest Rubs	−13.6	−14.2	− 6.7
Cough Remedies	−11.7	−11.4	+ 0.4
Laxatives	− 3.2	− 2.2	− 0.7
Sleeping Aids	+14.0	+15.0	+17.9
Tranquilizers	−25.2	−29.1	−23.2
Vitamins	− 2.4	+ 1.3	+ 8.1
Eye Care Products	+26.5	+26.8	+26.2
Appetite Suppressants	−17.2	−13.5	−11.9
SHAVING NEEDS	**+ 0.4%**	**− 0.3%**	**+ 1.0%**
Shaving Creams	+ 5.1	+ 3.3	+ 4.4
Pre-Shave Lotions	− 1.5	+ 5.2	− 2.4
After-Shave Lotions	− 3.2	+ 1.7	−10.8
Razor Blades	− 0.5	− 1.8	+ 1.5
Razors & Blades	−14.3	− 9.0	− 2.7
SKIN CARE AIDS	**+ 7.5%**	**+ 3.9%**	**+ 9.9%**
Hand & Body Creams & Lotions	+11.8	+13.6	+14.0
Facial Preparations	+ 6.7	+10.3	+12.9
Lip Care Products	+ 9.2	−14.1	+12.6
Suntan Lotions & Oils	+ 5.6	−10.5	− 4.9
Cosmetic & Medicated Skin Aids	+ 1.6	+ 4.0	+ 8.7
TOTAL ALL CATEGORIES	**+ 0.6%**	**+ 1.8%**	**+ 4.4%**

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CONSUMER
EXPENDITURES
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PERIODICALS

Sales of periodicals are good at supermarkets, but the market is far from saturated. For continued growth, wholesalers have to do a better job of selling the category to buyers, one analyst noted.

Healthy margins, no warehousing responsibility, direct store delivery, extensive advertising and promotional work supplied by producers, high levels of consumer awareness. It sounds like the perfect supermarket product, and periodicals—as well as paperbacks and, to a lesser degree, hardcover books—continue to grow in sales.

Half of all magazine purchases for 1984 occurred in supermarkets, representing over $1 billion in sales, an increase of 5.7 percent. And though paperback sales in supermarkets account for only nine percent of the total, they also grew 7.8 percent last year on sales of $130 million.

That's a lot of trees and staples. But Jack Fitzmaurice, president of the Periodicals Institute, believes the market is far from saturated. "There shouldn't be any problem with supermarkets doing one percent of total sales in periodicals," he says. According to Consumer Expenditures Study figures, the category accounts for only four tenths of a percent of total sales.

Reasonable goal

In order for the industry to reach what he claims is a very "reasonable" goal, Fitzmaurice asserts that wholesalers have to do a better job of selling the category to buyers.

Which shouldn't be hard to do, what with 28 percent gross margins, displays and point-of-sale (POS) material provided by wholesalers, and magazines' ability, through coupons, advertisements and editorial, to lure customers into all sections of the store.

The real problem, wholesalers say, is getting general merchandise managers to make the necessary commitments of time, energy and space. Many chains and independents have built separate Family Reading Centers with up to 56 linear feet of shelf space. But others have decided to maintain their existing set-ups, consisting mainly of six to 12-foot sections.

"Flat at best"

"I think it's safe to say the trend in supermarkets is not favorable to reading centers, and we're losing space," notes a major magazine publisher and distributor, who requests anonymity. He adds that last year's sales for his line of magazines were "flat at best. There's a good reason for supermarkets to take another look...There's a line extension problem in the reading centers just like elsewhere in the supermarket, like Coke squeezing out other soft drinks. You've got more magazines in reading centers, but they're generally not expanding the space. There are more magazines competing for a limited amount of space."

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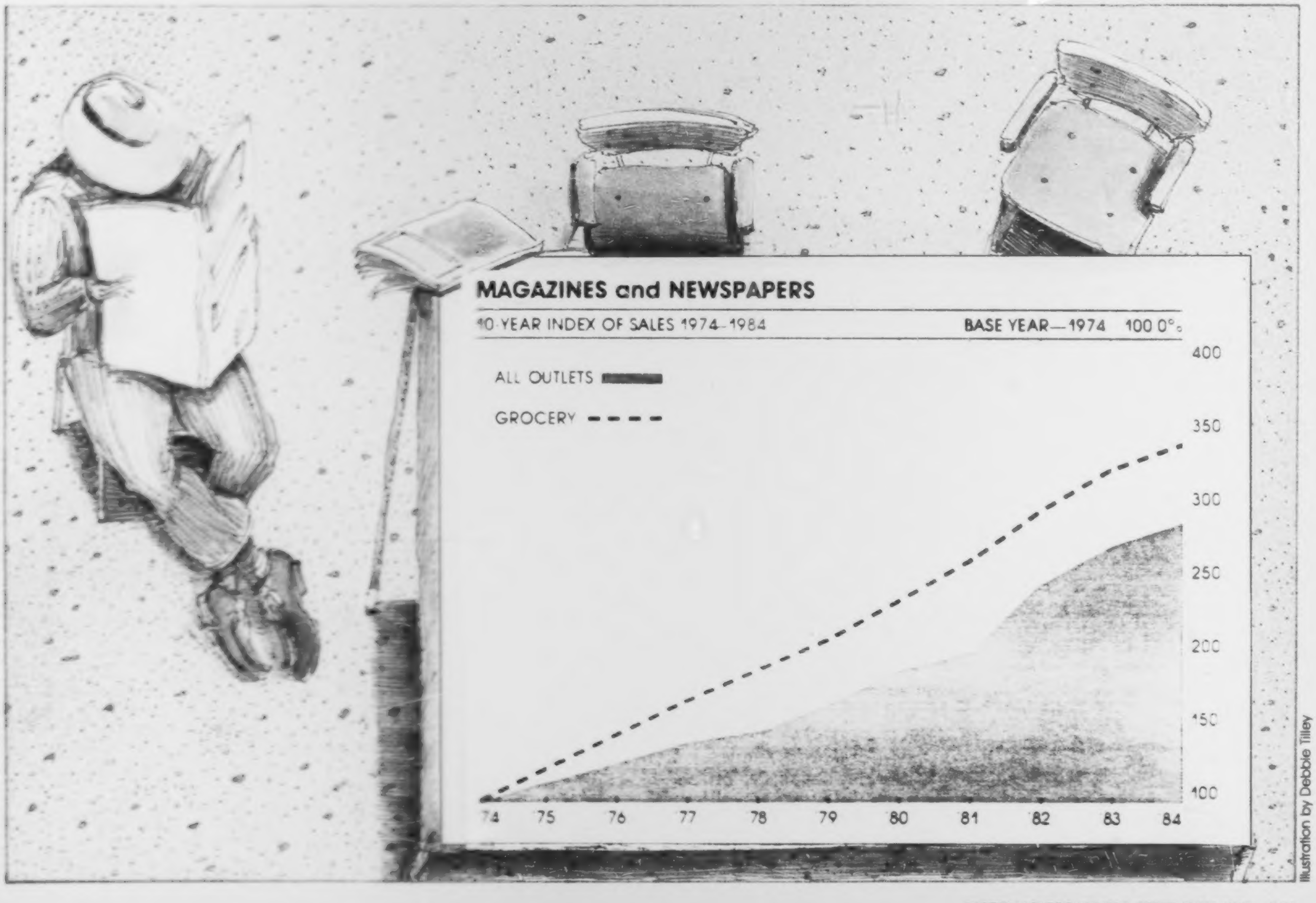

Illustration by Debbie Tilley

PERIODICALS

"I think it's safe to say the trend in supermarkets is not favorable to reading centers," says one retailer.

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Other wholesalers and distributors of periodicals acknowledge the difficulties, such as the "guaranteed sales" concept, which means that retailers are not financially liable for those magazines they do not sell. But they claim that intensive merchandising and promotion, from the store level on up, will force operators to admit that the category is too attractive to refuse further representation.

Unlike most of the industry, which saw little if any increase in unit sales, Conde Nast's 10 titles have grown 70 percent in dollar sales and 30 percent in unit sales over the last five years.

Bill McCollough, marketing manager, attributes that growth to company programs that encourage cross-merchandising, promotional campaigns, bonus incentives to retailers and educational sources such as a recent merchandising aid insert in trade magazines that lists 22 ideas on how to maximize sales both at checkouts and mainline centers.

Additional copies

As a result, many stores now have additional copies of *Gourmet* in the deli section, and *Vogue*, *Glamour* and *Mademoiselle* in HBA departments. Promotions are conducted with wholesaler floor dumps. This fall will see a special display for *Self* that trumpets "Fall Fitness." And Conde Nast has Quarterly Plus, a plan that gives retailers a bonus payment for checkout displays in addition to the current RDA payment.

"We certainly have to be above and beyond all marketers in this industry and serve the retailer by merchandising aggressively," McCollough says. "This trend has been occurring slowly, but with the softness in the market, wholesalers realize they've got to get out and inform the retailers, and let them know how profitable the category can be."

Cross-merchandising is also encouraged by ICD/Hearst, distributors for Hearst titles as well as Knapp, ABC Leisure, Weight Watchers and Children's Television Workshop magazines. ICD also distributes Avon and Berkley books. According to Mitch Halka, vice president-director of retail sales, Knapp's *Bon Appetit* is sold in shelf extenders in deli departments, and plans are underway for placing additional copies of Weight Watchers in the frozen food section. There is also the possibility that *Video Review* will be promoted with header cards listing that month's top ten videocassettes, next to a pocket that will be placed in video departments.

Halka says the best advice he gives retailers is to treat periodicals like any grocery item—keep the section clean and uncluttered, well stocked and monitored, and give the most space to the best sellers.

One fear distributors and wholesalers shared in the last few years was the effect on periodical sales when smaller supermarkets closed and were replaced by super stores and super warehouse stores.

Although the initial concern has been softened, the combination of fewer overall checkouts and reduced shopping trips has affected sales somewhat. As Halka explains: "If a consumer is going to drop $100 per trip, she's only going to do it once a week. Because we're a high impulse item, if people see us they'll buy it. But if they only go once instead of three times a week, we'll only sell those magazines they buy on that trip."

Free-standing displays

With those conditions, innovative marketing becomes imperative. Larry Gunn, executive vice president at Time Distribution Services, Inc., sees a willingness to promote special issues with free-standing displays. For *Sports Illustrated's* annual swimsuit issue last winter, TDS installed dump displays which resulted in sales eight times higher than normal.

Yet Gunn agrees that when warehouse-type stores replace conventional supermarkets, sales do decline.

"The category is built on impulse, and the more you shop the more you buy," he says. "Warehouses promote fewer shopping trips, and we're finding that grocery dollar sales do not indicate there's going to be a commensurate increase in magazine sales."

Eighty percent of supermarket sales for the nine Time, Inc. magazines TDS distributes come from checkout racks, so policing the area, and ensuring that the displays are properly positioned and packed, becomes essential.

Many of the new marketing ideas seem to originate with paperback book publishers, distributors and wholesalers. Zebra Books, known primarily for its historical romance novels, men's adventure series, westerns and science fiction, has tripled unit sales in the last three years, according to Walter Zacharius, chairman of the board. Much of that growth comes from supermarkets, where Zebra has been able to install 27-pocket floor displays for its romance novels.

A Catch-22

But Zacharius notes a Catch-22 inherent in display arrangements: supermarkets won't give up display space unless books have high sales, but books cannot achieve high sales without sufficient display space.

To assure that his books get that floor space, Zacharius introduced a line of historical romances in August that have holograms imbedded in the front cover. Depending on the browser's vantage point, the image is of an embracing couple inside a heart, or the words "A Zebra Romance." Floor units will feature a hologram header.

Zebra plans to publish two million books a month with the hologram for most of this year.

"I don't see how it can't work, because when you see it on the rack it grabs you," Zacharius says. "It's like a fog light in the dark, or someone winking at you...Books are an impulse item, and you've got six seconds to grab the reader." Research conducted by Perception Research Services, Inc. indicates that "wink" will prove to be seductive.

Interviews with 200 women, in four different regions, who were established historical romance novel readers, revealed that the holograms doubled attention to Zebra books while increasing attention to all other competing titles by 40 percent. And a full 92 percent of the study group responded that it would seek out the symbol when purchasing a Zebra romance.

Cross-merchandising has been tested by Dell Distributing, Inc., which markets Dell and other books, for its line of children's books. According to Joe Brown, senior vice president, the experiment involved placing youngsters' books in the cereal aisle, and the strong results will probably lead to an

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PET NEEDS

Manufacturers are going in for upscale pet products and backing them up with heavy promotions. Supermarkets are being deluged with new products, and some retailers are finding it hard to keep up.

Supermarkets are being deluged with new pet products and, while some store buyers think that's good for business, others are frustrated by the attempt to keep up.

Reflecting a general trend in consumer buying habits, manufacturers are going in for upscale pet products and backing them up with heavy promotions. But results at the checkout counter have been unimpressive in many parts of the country. The age-old debate between dry and canned pet foods remains a toss-up, as supermarket buyers across the country see little sign of a trend in either direction.

"This category is so over-itemized that it's pathetic. There are more and more flavors. Every company think they need to expand," said John Comer, buyer for Hy-Vee Stores (Chariton, Iowa), with more than 100 stores in Illinois, Iowa, Minnesota, Missouri, Nebraska and South Dakota. Despite the new products, Hy-Vee has not expanded its pet food departments and if any significant change is taking place in buying patterns, Comer sees it in a preference for canned products. "Two years ago the trend was dry. Now there seems to be some movement back to canned and smaller sizes," he said.

Pet snack items have not done particularly well in Hy-Vee stores, according to Comer.

Bombarded with new products

"Manufacturers are bombarding us with new products. When I started 16 years ago, cat and dog food could fit on one gondola. Now the departments are huge," said Tommy Biles, a buyer for Furr's Inc. (Lubbock, Tex.), a chain of 100 stores in Texas and New Mexico.

Unlike Hy-Vee, Furr's has made significant expansion to pet departments in its stores to accommodate the new products.

Also contrary to trends in the Midwest, southwestern buyers are leaning towards dry foods. "Canned pet food sales seem to be declining while dry is on the increase," Biles observed. Semi-moist products also seem to be on the decline at the moment, at least in Furr's stores. "The Gainesburger-type product isn't doing as well," Biles said.

One of the many new products doing well, according to Biles, is Ralston Purina's Happy Cat, but there may be some confusion on the part of manufacturers as to which direction to head, Biles thinks. "First they come out with something cheap, then they produce a quality product," he said.

As in much of the country, animal treats have not been moving well in the Southwest, and there is not much news in the field of cat box products. "There's been nothing new in

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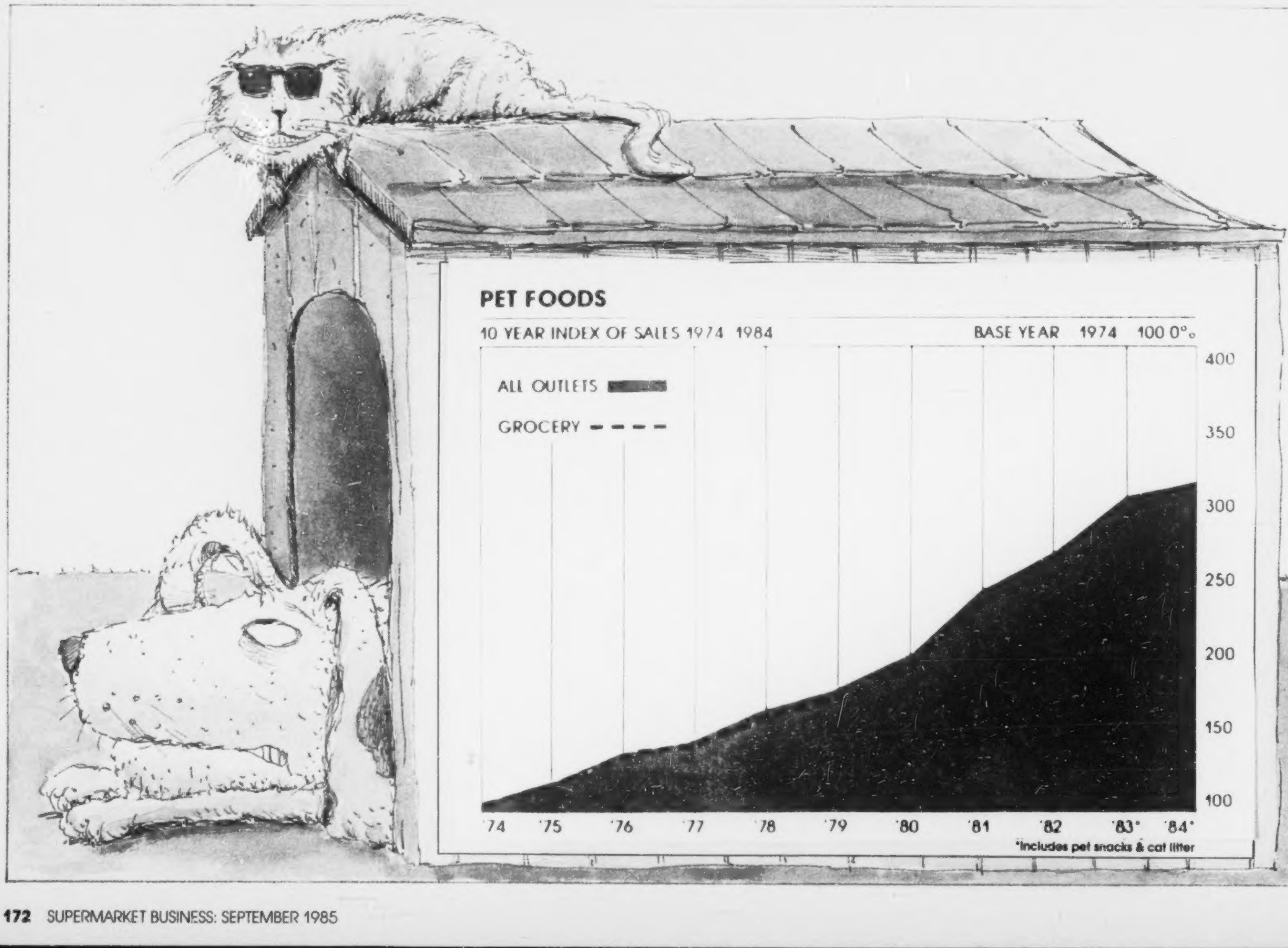

Illustration by Debbie Tilley

PET NEEDS

> Not everyone is frustrated by the volume of new pet products. "New items help stimulate sales," says one retailer. The problem: how do you fit them onto existing shelf space and in warehouses?

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cat litter since Fresh Step," Biles said. "Tidy Cat does the majority of our business. The litter market is doing well, sales continue to be strong but there's nothing really new, it's just there."

Have to give consumers a choice

In the Southeast, supermarkets are being swamped with new products in the pet food category as well. "Recently we've had to expand our shelf space because we've had to stock the products simply because they're new. You have to give consumers the choice," said Mike Medders, buyer for Piggly Wiggly Southern, based in Georgia. There are even rumors of a frozen dog food, he said.

In Piggly Wiggly stores, the expensive pet products are having trouble. "They're not selling as well as the old standbys," Medders said. While the high-protein kinds of dog foods generally have been doing well, Purina's Praise is an example of a product that has only sold well in one of its smaller size units, largely because of price, according to Medders. Kibbles and Bits, and a newer, lower-priced Kibbles and Chunks, both from Purina, are doing well, however.

"Everybody's trying to sell cat treats," added Medders, but they've had little success in the company's stores. Beatrice came out with Bonkers, but Piggly Wiggly deleted them from the shelves due to lack of activity, Medders said. Dog treat sales have also been flat generally, although the milk-bone types are the strongest of the category.

Not everyone is frustrated by the volume of new pet products. "New items help stimulate sales," said Richard Ponte, vice president for grocery procurement and sales at Stop & Shop (North Quincy, Mass.), a 117-store chain. "The problem is: how do you fit them onto existing shelf space and in warehouses?"

Scanning helps

Stop & Shop handles that difficulty through the use of its scanner checkout system that analyzes sales in every category and for each individual item. Space allotment can be readjusted every week to make room for the best sellers.

Ponte sees the biggest trend in pet products in gourmet-style cat foods. "9

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HEALTH & BEAUTY AIDS

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trend away from the checkout counter placement of shaving supplies.

"We're finding a lot more end-aisle free standing displays," says Niblett.

Store owners will probably need dump bins to handle the new larger packages of disposables which Gillette sees consumers preferring.

The new products for Gillette include Atra-Plus, the traditional Atra replacement blade with a lubricating strip on the top and MicroTrac, a disposable shaver designed to meet the price and beat the performance of Good News low-cost competitors.

Niblett says Good News will remain on the market in all of its varieties.

The sales of Cold Tablets and Capsules were particularly strong in 1984 with a 12.7 percent growth spurred on by the introduction of Actifed (Burroughs-Wellcome) and the start of the worst cold and flu season in five years.

As the next flu season approaches, Eric Moyerman, product manager for SmithKline's Contact is promising "probably the biggest promotion ever."

SmithKline will be distributing over 200 million high value (over 50 cents per) cents-off coupons.

The Contact Colds/Flu Alert Program, which was featured on the *Today* and *Good Morning America* shows last year will be featured again in the fall of 1985. The spots give viewers the latest information on cold and flu outbreaks in 52 cities across the nation.

Also as part of Contact's offensive, there will be Colds/Flu Protection Guides made available at p.o.p. displays in groceries (free with purchase) and coupon ads in Sunday newspapers where consumers will be able to send in for the booklet. In addition to information on the care and avoidance of colds and the flu, it will also contain $25 in coupons for colds-related products. ■

—TED KNUTSON

INCREASES IN GROCERY STORE MARKET SHARE FOR HBA

	1984	1983	1982
Acne preparations	19	18	18
Adhesive bandages	51	50	49
Aerosol shaving cream	45	45	45
Aftershave lotions	31	33	33
Antacids (effervescent)	50	51	50
Antacid liquids	43	42	40
Antacid tablets, pills, gums, lozenges	55	55	53
Antacid powders	42	42	42
Bobby pins	26	26	26
Bulk type laxatives	14	14	12
Cold tablets, capsules	52	51	50
Color shampoo	24	23	23
Coloring preparations	15	15	15
Contact lens solutions	9	8	8
Cotton balls	36	36	36
Cotton swabs	60	59	58
Coughs & cold salves, ointments	36	36	36
Cough drops	34	34	33
Cough syrups, elixirs, expectorants	20	20	21
Denture cleaners	46	46	45
Diarrhea remedies	52	52	51
Eye lotions, washes	46	44	43
Eye makeup products	19	19	19
First aid kits	53	52	52
Gauze bandages	24	24	23
Hair brushes	33	32	32
Hand & body lotions	40	39	38
Hemorrhoidal suppositories	29	28	28
Home permanent kits, refills	19	19	20
Hypoallergenic infant formulas	85	85	85
Liquid douches	33	33	33
Makeup bases	5	5	5
Manicure implements	26	26	27
Medicated shampoo	54	53	51
Men's hair dressing	49	49	49
Menstrual analgesics	45	45	44
Mouthwashes, gargles	52	51	50
Nail polish removers	21	21	21
Nail polish & enamel	13	13	13
Nipples & pacifiers	41	44	43
Nursing bottles	17	19	18
Pin curl clips	34	34	35
Razor blades	47	47	47
Reducing preparations	26	27	26
Roll-on deodorants	45	44	43
Routine infant formulas	85	84	84
Sanitary napkins	61	63	62
Stick deodorants	61	60	61
Suntan lotions & oils	18	17	17
Tampons	58	58	59
Toothbrushes	32	32	32
Toothpaste	66	65	64
Women's hair dressing & conditioners	45	46	45
Women's hair spray	46	46	46

CONSUMER
EXPENDITURES
STUDY

PHOTO SUPPLIES

The recent flood of comparatively inexpensive, highly automated cameras has had a dramatic impact on not only camera sales, but film as well.

It may not be surprising that film is the big seller in supermarket photo departments, but as camera technology continues to change, new films and new services are becoming increasingly important for sales.

As supermarket chains enjoy good profit margins on their photo departments' relatively high-priced ticket items, photo manufacturers are eagerly applauding the food industry's growing interest in nonfood items. Supermarket buyers only wish the manufacturers would devote a little more money to cooperative promotions.

The recent flood of comparatively inexpensive, highly automated cameras has had a dramatic impact on not only camera sales but film as well. Where once the Instamatic was king, now 35-millimeter cameras are the top sellers and consequently, photo stores as well as supermarkets are selling more 35mm film than anything else. While sales are respectable, even Kodak's disc camera has not enjoyed the success that the larger format, and now easy to use, cameras have had.

Faster processing demanded

Two other developments also have affected the scope of supermarket photo departments. The industry's determination to take advantage of new life-styles and attract the consumer who has time for only one stop shopping has led many supermarket chains to include film processing in their photo services. Some even offer one-hour service so that film can be dropped off at the start of the day's shopping and picked up by the time the customer reaches checkout.

The recent boom in videotape technology and sales has also encouraged many supermarket chains to carry video supplies, an area companies such as Polaroid hope to capitalize on.

"We're selling a lot of film. 35mm is standard now but pocket and disc are also doing well," said Jerry Hebda, a buyer for Food Giant/Big Apple Super Markets (Atlanta), a chain of close to 100 stores in Georgia and Alabama. Food Giant also offers film processing, which is enjoying strong sales, according to Hebda.

"Photo supplies is definitely a growth area. We label it an opportunity for future growth," said Charles Ramsbacher, director of general merchandising for Nash-Finch Co.(Minneapolis), a chain of more than 100 stores in the Midwest. "We get people in the stores two or three times a week and the supermarket industry's share of film sales is only 15 percent," he said, explaining why there is room for growth.

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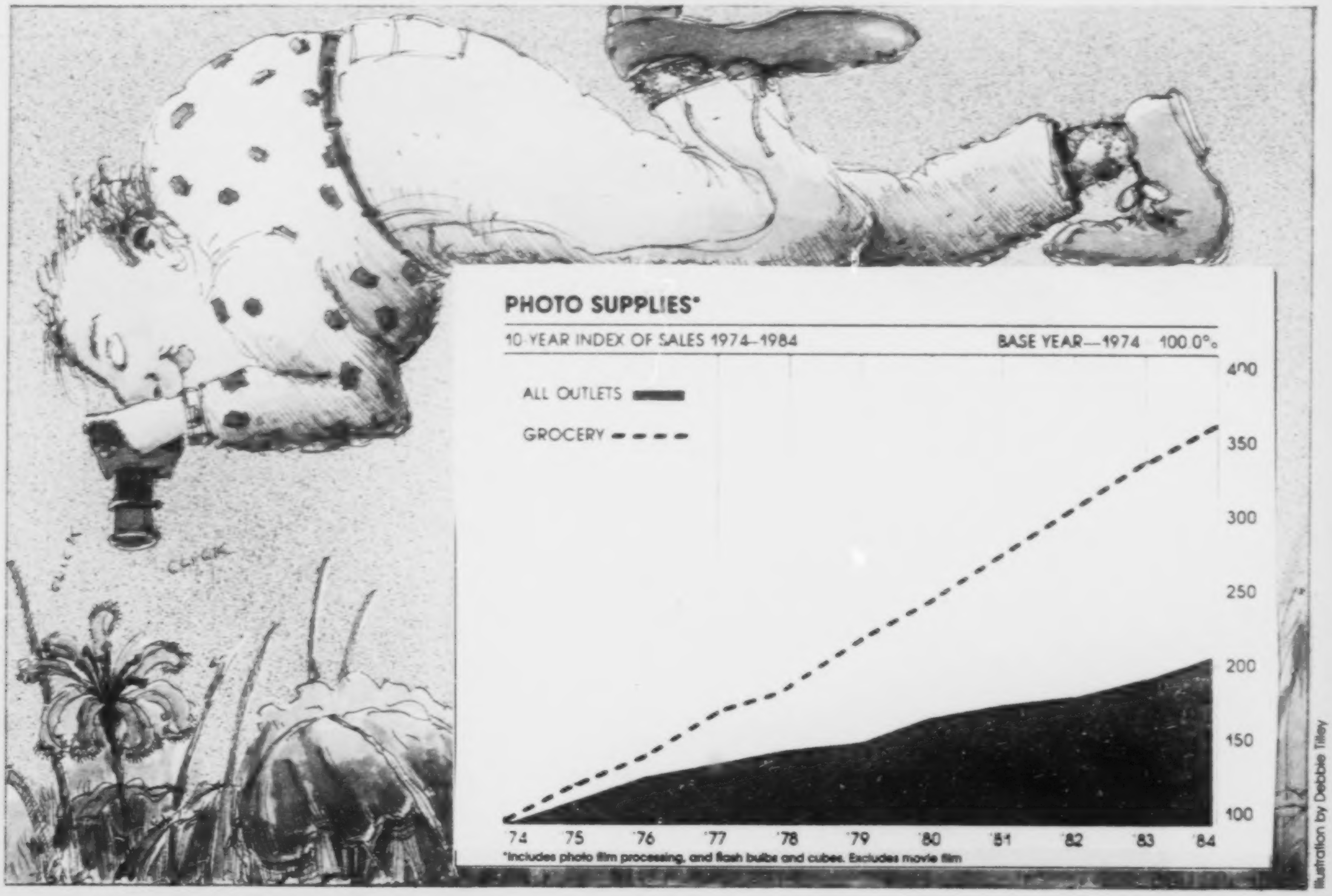

PHOTO SUPPLIES*

*Includes photo film processing, and flash bulbs and cubes. Excludes movie film

Illustration by Debbie Tilley

SNACKS

Mexican products are in, in a big way, in the snack industry. Tortilla chips sell strongly across the country, and may soon catch their cousin, the corn chip.

The battle lines have been drawn and the troops given their orders. The Mexican revolution appears to have gained the upper hand in snack food sales growth, as nacho and tortilla chips may become the most popular items in the category within a decade.

In fact, sales of Mexican-style chips are strong across the country, and may soon catch their cousin, the corn chip. The Potato Chip and Snack Food Association, an industry trade group, reports that sales for corn chips in 1984 were up 4.7 percent, while tortilla chips gained by 11 percent. And the projection for 1985 is even more striking: a 4.9 percent increase for corn chips, and a whopping 23.1 percent for tortilla chips.

Overall, the snack foods category continues to grow, according to statistics compiled for the 1985 SUPERMARKET BUSINESS Consumer Expenditures Study. Considering snacks' traditionally high margin, that's good news for supermarkets.

Total domestic consumption for 1984, about $6.7 billion, is up 5.9 percent, and sales in grocery stores and supermarkets, $4.17 billion, are up 8.1 percent, accounting for 1.65 percent of total store volume. Among the big gainers are packaged unpopped popcorn, up 34.8 percent in retail food outlets on sales of $284 million, and due, in part, to gains for Pillsbury's Microwave Popcorn and Hunt-Wesson's Orville Redenbacher's Gourmet Popping Corn, which introduced a microwave product that does not require freezing; potato chips, up 7.7 percent on sales of $1.65 billion, and corn chips, both traditional and tortilla, up 9.5 percent on store sales of $752 million.

Fastest-growing category

A Frito-Lay spokesman characterizes tortilla chips as "definitely the fastest-growing category," and interviews with supermarket retailers bear him out.

"It's a very, very big category for us," says Wylie Holmes, buyer/merchandiser for The Cullum Companies, Inc. (Dallas). The chain's 55 stores sell several different brands, and Holmes notes that Tostitos, the restaurant-style tortilla chip, has just about pulled even with Doritos in sales.

"It's going so fast it's almost unbelievable," Holmes says. "All the companies are promoting it tremendously, so the category can't get stagnant. And even if the snack companies don't push it, the hot sauce people will or the Mexican food people will."

Dan Nelson, director of purchasing at Dominick's Finer Foods, Inc. (Northlake, Ill.), says that the hottest snack food for

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Illustration by Debbie Tilley

SNACKS

The reason most buyers cite for the increasing popularity of tortilla and nacho chips is the growing familiarity with and acceptance of Mexican cuisine in general.

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the chain's 82 stores is also Mexican-style chips. "They're the fastest growing section in the category. They're far outpacing the growth of potato chips. Most new items tend to come from that part of the business."

Mexican familiarity

The reason most buyers cite for the increasing popularity of tortilla and nacho chips is the growing familiarity with and acceptance of Mexican cuisine in general. As fast food chains such as Taco Bell and Del Taco proliferate, and upscale restaurant franchises like Bennigan's add Mexican items to their menus, the pool of consumers for packaged Mexican food rises accordingly. And the category is by no means skewed to geography, demographics or ethnic groups.

Mexican-style chips may become the biggest item in all of snack foods for his chain's 57 stores, according to Ed Corral, buyer/merchandiser for Fred Meyer, Inc. (Portland, Ore.). "Potato chips will continue to increase," he says, "but I think tortilla chips will overtake potato chips in the next five years. They sell even without a high Hispanic population," he says.

Tortilla chips are still hot at all 32 Foodtown Stores, says Tony Kluxen, director of grocery merchandising for Mayfair Super Markets, Inc. (Elizabeth, N.J.). He adds, though, that national trends, combined with astute merchandising, have enabled the category to grow constantly.

"In general," Kluxen says, "snacks are great items to produce impulse sales. You can create your own sales benefits and reap the advantages with your promotions. With a little creativity on your part, and some help from the manufacturers, your sales potential is unlimited." He notes that the chain's private label line of snacks sells well because of low price and quality comparable to national and regional brands.

Easy, quick and convenient

"The entire category will grow, since people tend to buy things that are easy, quick and convenient, and snacks are a consumable. When a person buys a bag of potato chips, they don't bring it into their house and eat it in a month; they eat it in a week," Kluxen says. He adds that by their nature, snacks lend themselves to impulse sales, and Mayfair constantly ties them in with seasonal and holiday promotions.

Overall, 315 new snacks were introduced in 1984, 29 fewer than in the previous year. This decline in product release reflects a general decline in product introductions for last year, notes Robert McMath, chairman of Marketing Intelligence Service, Ltd., Naples, N.Y.

The rate of growth for Mexican-style snacks is high, however, McMath says, as both national and regional brands add to their product mix. McMath's research firm does see more snack foods introduced with reduced salt, but snack foods with no salt do not appear to be high-growth items.

A vanity product

"The difference between sugar products and salt products is that sugar is a vanity product," McMath says. "Salt is more of a physical concern, for people with hypertension, whereas sugar is avoided for reasons of dieting to lose weight."

He adds that the problem with no-salt snack foods is that the consumer has grown accustomed to the presence of sodium and the taste it imparts, and the industry has yet to discover a salt substitute that satisfies the taste for salt as effectively as aspartame does for sugar. And with the exception of Fruit Roll-Ups by Betty Crocker and Fruit Rolls by Sunkist, most snack foods are not in the vanguard of the much-touted "healthy" foods stampede because of consumer perception of the role snacks play in their lives.

"People like to talk about health and thinking they are eating more healthy foods," says McMath. "They like to think they're doing better with their system. But when it comes to taste, they'll indulge themselves. And that's what snacks are: an indulgence. It's a reward. People don't like to penalize themselves and that's why taste is so important."

Market segmentation

McMath observes a continued emphasis on market segmentation, and his views are echoed by Frito-Lay. "We're committed to a long-term strategy of product segmentation," says a spokesman for Frito-Lay. "We believe that's how the industry will continue to grow, and that's how we're going to grow. By continuing to innovate and finding real niches, there will be healthy growth."

Much of that growth will come from smaller regional or local manufacturers who, because of their proximity to the markets they serve, are able to adapt and adjust to changing consumer tastes within their region.

Most of the snacks that can be classified as "healthy" are being made by these companies, although the majors such as Borden, Inc. and its seven regional snack companies, and Charles Chips, Inc., whose products are distributed in 44 states, have products with reduced salt and other concessions to consumers concerned about the ingredients and formulations in their snacks.

Charles Chips is just one of the many manufacturers that stress the healthfulness of their products. Its potato chip line uses 100 percent cottonseed oil and the product contains no cholesterol and is high in polyunsaturates, a fact that is prominently displayed on all packaging, according to company president Stephen Musser. The company manufactures a complete line of snacks, including no-salt potato chips, popcorn, pretzels and tortilla chips, all of which sell strongly, says Musser.

"When we first started making no-salt products, it used to be a half-hour of our production time a day. Now it's two to three hours a day. People are becoming more educated to health and the advantages and disadvantages of eating different types of foods," he notes. He adds that of the recent product introductions, the most popular is a thick-cut bacon and cheddar cheese-flavored potato chip.

Is bigger better?

Laura Scudder's, Inc., is a regional manufacturer that proves that bigger is not necessarily better. Through a shrewd strategy of constant promotion, introducing products based on intensive market research and determining its priorities, the Anaheim, Calif.-based company has carved out an enviable share of the Western market. The success of that strategy is confirmed when a buyer for Los Angeles-based Hughes Markets, Inc., reports that Scudder's line is the chain's best seller.

The fact is especially

impressive when considering the length of the present management's stewardship. In December of 1983, a group of private investors purchased the company from Pet Foods, which had purchased it from another multinational corporation. Returning to its original status of a locally owned firm, Scudder's expanded and heavily promoted its product line. When once it was known primarily for potato chips, the company is now also a market leader in tortilla and corn chips.

"We've left practically no stone unturned," says Frank Martin, senior vice president-marketing. "We've picked up on that competitive pace and moved on product distribution. We've added a lot of routes and greatly increased consumer promotion and advertising."

Give the people what they want

Most important of all, Scudder's has added products that the market really wants. Among these are a line of potato chips, tortilla chips and corn chips with half the salt, and Tortilla Strips, a rectangular chip in white and yellow corn. And when the products don't move as quickly as hoped, Scudder's does not hesitate to experiment with different sizings and packaging. Both Tortilla Strips and Mini-Tacos, a round tortilla chip, were repackaged and repriced, and experienced significant sales growth.

"Every two weeks last fall, we introduced something different," Martin says. "What we've tried to do simply is aim our resources at the profitable growth categories; be a broad-based snack company, and make it a whole company commitment.

"You have to be willing to make the investment in money, in resources, marketing funds and people's time. We've attempted to promote in a balanced fashion so all the products worthy of supermarket share get their rightful space on the supermarket shelf."

—PETER LEVITEN

AUTOMOTIVE SUPPLIES

Continued from page 114

(Salisbury, N.C.), which carries no auto supplies in any of its 293 stores. "We want to be the top store for groceries, and our stores are generally smaller than a Kroger, for example, so we really haven't had the space for auto supplies," a buyer there explains.

Of course, this is not to say that the category has no place in a supermarket. It's just not a real high-priority ticket. Those chains that decide to stock the sections report moderate success. The Cullum Companies, Inc. (Dallas) have used cross-merchandising—pegged products and air fresheners—to some effect, while dropping other accessory items.

More aggressive marketing

First National Supermarkets, Inc. (Windsor Locks, Conn.) reports a healthy increase in sales for the category. "We became more aggressive as a chain in motor oils, additives and wipers in our stores," says Marty Lev, vice president and general manager. First National operates 67 Finasts and 13 Edwards Food Warehouses in Connecticut, Massachusetts, New York and Vermont, and the instore auto departments, which are in half of the chain's stores, range in size from four to 72 linear feet.

Lev notes that much of the reason for the growth is due to the fact that First National began carrying the products on a substantial basis only within the last 15 months.

The chain plans to introduce a private label auto supply line, primarily chemical, next year. First National promotes the category both instore and through ads in monthly circulars. "The strength is in the chemicals," Lev says.

"But more and more people are doing their shopping in one place, and more men are shopping. We've found that upgraded accessories, in stores where there is room for them, are selling. We used to sell mats for $4; now it's not uncommon to have $14 mats. It's not too easy to cross-merchandise, but we will have flashlights, gloves, batteries, rags and in the winter, snow shovels, with the oils and waxes.

"If better accessories are exposed and better supplies are exposed, they can sell well. It's a very, very, strong trade name category," he concludes.

—TED KNUTSON

GROCERY STORE CONTRIBUTION TO HBA* INCREASES 1984–1983 FOR 10 GROUPS AND SUB-GROUPS

	1984 SALES (000)	1983 SALES (000)	1984–1983 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Total HBA (non-Rx)				
Grocery Stores	$10,331,686	$ 9,600,943	$ 730,743	36.7%
All Outlets	$27,768,467	$25,778,220	$1,990,247	
Cosmetics				
Grocery Stores	$ 529,295	$ 494,200	$ 35,095	13.1%
All Outlets	$ 4,249,531	$3,981,400	$ 268,131	
Deodorants, Anti-Perspirants				
Grocery Stores	$ 569,675	$ 530,970	$ 38,705	62.8%
All Outlets	$ 1,055,392	$ 993,780	$ 61,612	
Vitamins, Tonics				
Grocery Stores	$ 491,220	$ 477,840	$ 13,380	23.5%
All Outlets	$ 1,350,894	$ 1,293,960	$ 56,934	
Oral Hygiene Products				
Grocery Stores	$ 1,122,747	$ 1,084,950	$ 37,797	65.3%
All Outlets	$ 2,076,029	$ 2,018,130	$ 57,899	
First Aid Products				
Grocery Stores	$ 209,424	$ 200,060	$ 9,364	64.2%
All Outlets	$ 475,391	$ 460,800	$ 14,591	
Analgesics				
Grocery Stores	$ 827,266	$ 758,930	$ 68,336	50.2%
All Outlets	$ 1,899,250	$ 1,763,000	$ 136,250	
Cough Medications				
Grocery Stores	$ 216,239	$ 201,100	$ 15,139	20.9%
All Outlets	$ 1,121,416	$ 1,049,080	$ 72,336	
Shaving Products				
Grocery Stores	$ 553,156	$ 544,340	$ 8,816	11.5%
All Outlets	$ 1,660,118	$ 1,583,570	$ 76,548	
Hair Products				
Grocery Stores	$ 1,462,900	$ 1,411,590	$ 51,310	52.2%
All Outlets	$ 3,720,731	$ 3,622,400	$ 98,331	
Infant Formulas				
Grocery Stores	$ 905,486	$ 829,480	$ 76,006	88.3%
All Outlets	$ 1,066,923	$ 980,810	$ 86,113	

*(Non-Rx only)

CONSUMER EXPENDITURES STUDY

SOFT DRINKS

The cola wars raged on heatedly, as Coke and Pepsi renewed their battle for soft drink supremacy. Coke got a new recipe, and the consumer got a choice of new or old Coke.

It is not a question of what happened in the soft drink industry during the year past. It is more a question of what did not happen.

A year ago, who would have imagined that Coca-Cola (Atlanta, Ga.) would change the 99-year-old secret formula of its flagship brand, an event that would make headlines—and headaches—nationwide? That just three months later, the company would admit (almost) that it had made a mistake and bring back the old formula as Coca-Cola Classic. Or that Pepsico (Purchase, N.Y.) would enjoy a morale-boosting year almost like no other, one that would be bolstered by wide success with a non-cola product, Slice, which contained 10 percent real fruit juice. Or that, just to keep things interesting, the number three cola company, Royal Crown, would pledge its intention to do battle more aggressively with the big two.

But a story that caught almost everybody by surprise during the year gone by is not of cola wars or juiced-up soft drinks. Rather, it is of a 13-year-old diet drink that earned an unsolicited plug, and that went on to take the Midwest, and beyond, by storm. It is the story of Canfield's Diet Chocolate Fudge Soda (See related story, p. 187).

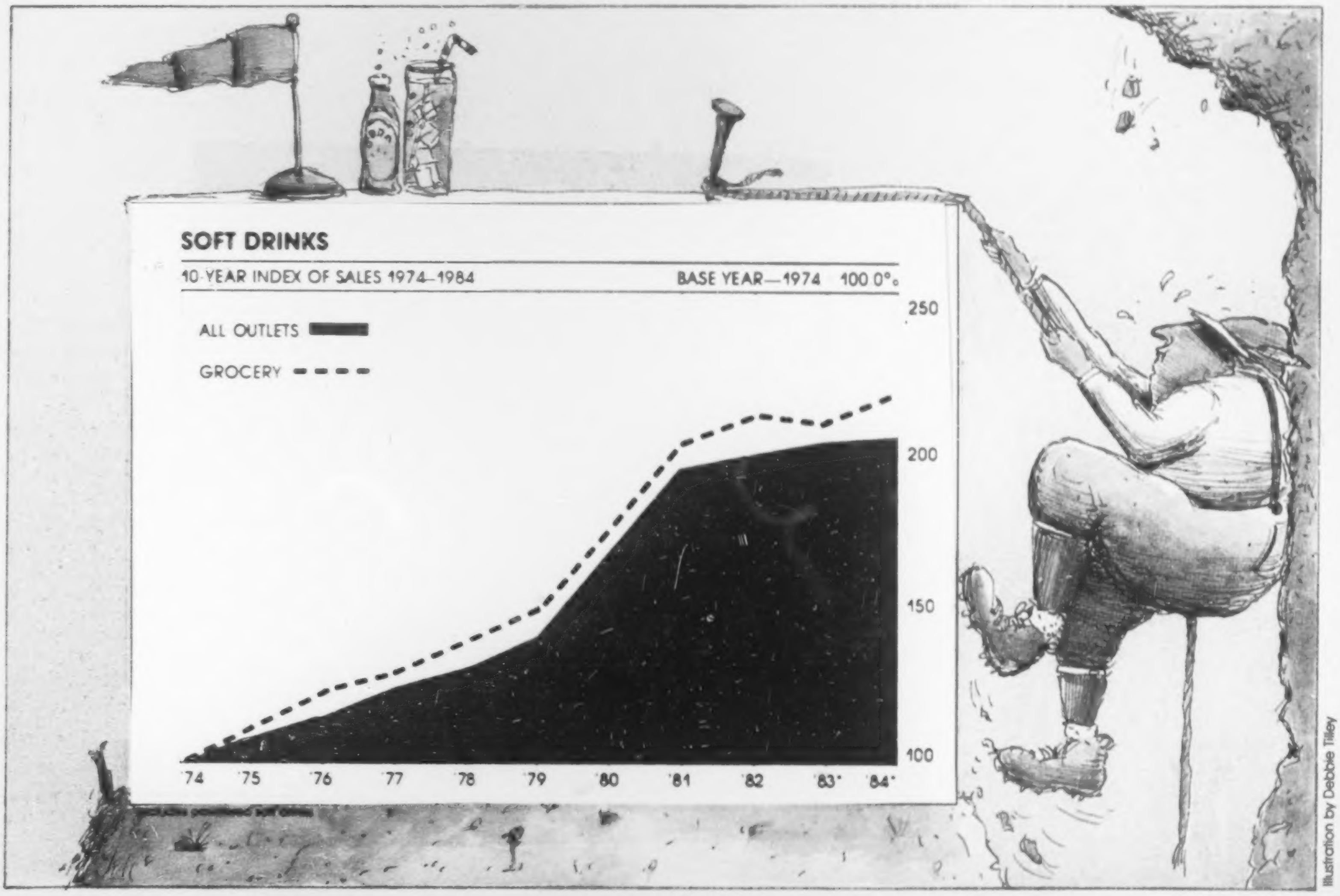
Numbers up

Of course, it was not just a good year for Canfield's, but for the entire soft drink industry as well. Grocery stores provide 57 percent, or $6.5 billion, of the overall $11.3 billion soft drink sales in the U.S., and the 1984 sales were up 3.7 percent, from $6.3 billion. This rate of growth was slightly higher than that of the overall category, which grew 3.1 percent, from almost $11 billion in 1983.

In the past few years, soft drink sales in grocery stores generally have outpaced the overall category. While grocery store soft drink sales are up 117.4 percent over a decade ago, in total outlets sales of soft drinks are up 109.4 percent. This is a small difference of a few points but for the fact that in this $6.5 billion business, one percentage point is equal to $65 million, which is a lot of money even to companies like Coca-Cola and Pepsi, and explains why they struggle so for a single point of market share.

The big growth in grocery store sales can be attributed to the increasing popularity of low-calorie beverages, which grew an average of 6.5 percent in bottles and cans; in non-diet beverages, growth during 1984 was just over 2.2 percent.

A new study by M. Shanken Communications, Inc., entitled "The Impact of Beverage Trends in America Review and Forecast, 1985 Edi-



*Includes powdered soft drinks

Illustration by Debbie Tilley

SOFT DRINKS

Diversity within the soft drink category has been the primary reason for its growth. New segments have given the whole category the flexibility it needed in an evolving market.

tion," reports that as soft drinks replaced water as the most consumed beverage during 1984—25.5 percent of America's beverage consumption is of soft drinks, while water is just 24.9 percent—a boom is under way for what it calls "no" beverages, that is, those with no calories, caffeine or additives.

Choosy consumers

According to the report, however, Americans seem to be choosy about exactly what they want their beverages to be without. It suggests that "no calories" is of prime concern, and that 96 percent of the increase in soft drink consumption during 1984 can be attributed to aspartame-sweetened sodas—indicating that "no additives" is of lesser concern.

Current cola wars notwithstanding, the report says that diversity within the soft drink category has been the primary reason for its growth. Segments and sub-segments—such as soda with real juice—have given "the whole category the flexibility needed in an evolving market."

But if segmentation of the soft drink market is what makes it grow, it remains the cola wars that attract all the attention. It certainly is on the minds of retailers, who told SUPERMARKET BUSINESS that New Coke was neither a huge hit nor a big flop, that they detected no great outcry among their consumers for old Coke, that any new product from Coke would be placed in existing Coke shelf space, and that sales of Pepsi, once new Coke was introduced, were slightly, but not significantly, higher.

The competition between Coke and Pepsi even hit new heights during the summer, as both companies sent specially designed, gravity-free cans of their product into space on board the space shuttle to test new technology and gain a public relations edge over the other.

Report from the cola war front

Any report from the cola war front takes on familiar shape because of the exhaustive press coverage accorded the competition. In a nutshell, the pace of battle was as follows:

In April 1985, faced with a declining market share in supermarkets (17.9 percent of sales, versus Pepsi Cola's 19.6 percent), Coca-Cola announced with great fanfare the reformulation of its 99-year-old flagship brand. "The best has been made even better," Coke chairman Roberto C. Goizueta said in announcing that Coke would have a new, sweeter taste. A taste, Pepsi USA president Roger Enrico said, that was more like Pepsi's.

Three months later, faced with an apparent lack of growth on the part of new Coke and well-publicized and increasing outrage from the consuming public, the old formula was back as a line extension of the new Coke. Coca-Cola Classic, it is called; "we have heard you," Goizueta said to consumers, noting that the two products added up to "the most formidable mega-brand in the soft drink industry."

Pepsi's Enrico was, to say the least, chortling in public about Coke's seeming about-face. He called the new Coke "the Edsel of the eighties," and said that Coke's mega-brand claim "does not sound like legitimate segmentation to me." Analysts' reactions were mixed, as many believed that Coke's new strategy would put the company in an enviable marketing position.

Meanwhile, Royal Crown Cola, which occupies the third cola position, announced its intention to play David in a battle against Goliaths Coke and Pepsi. James Harralson, executive vice president and c.o.o of Royal Crown Cola Co. (Rolling Meadows, Ill.), said that former management took the attitude that "when the big boys came to town, you didn't do anything to counter it."

No more, Harralson said. "I'm not willing to eat crumbs." Royal Crown faces a competitive disadvantage—only 80 percent distribution throughout the country—but Harralson declared that he intends to fight at the consumer and bottler levels for every dollar he can, and to do so for RC Cola, Diet Rite Cola, and for the Nehi line of natural fruit beverages. "I'm going to keep the cola wars very much alive," he said. "I want them to know that there is a feisty number three out here."

No accounting for taste

Despite the fact that Pepsi is adamant that taste tests prove conclusively that consumers prefer the taste of Pepsi, company spokesman Kenneth Ross admitted that to a great degree "soft drinks are a necktie product. Just as the necktie you wear makes a statement about you, so does the soft drink you buy."

In other words, people purchase image rather than taste. Ross also agreed that taste tests are subjective things, but pointed out that Coke never combatted the Pepsi challenge with its own tests.

(ABC-TV's newsmagazine "20/20" conducted a nationwide taste test at the height of the cola wars in July. According to the results, new Coke was most preferred, followed by Pepsi and RC Cola in a dead heat, and then by old Coke in the last position. The show even gave the test to a group of people who had banded together to pressure Coca-Cola to bring back the old formula, including one man who reportedly spent $50,000 of his own money on the campaign. Overwhelmingly, members of the group, including the man who was $50,000 poorer for his efforts, could not tell the difference between any of the colas.)

Statistics indicate that both Coke and Pepsi may have good reason to be so concerned about their relative positions in the cola wars— since 1977, both colas' shares of supermarket sales have been on the decline. In 1977, Pepsi had a 22.1 percent share of the market, compared to Coke's 21.7; eight years later, Pepsi had declined more than two points, and Coke more than three.

These same figures confirm that, while the fight may be waged most visibly over colas, market segmentation is indeed giving the two companies overall stronger positioning. In 1984, all of Coca-Cola's products achieved a 31.3 percent share of market, compared with Pepsi's 29.7 percent share. Eight years before, Coke's products had only a 28 percent share of market, and Pepsi's a 27.5 percent share.

An experiment in segmentation

One of Pepsi's strongest experiments in segmentation came this year with the introduction of Slice, in both regular and diet versions, with 10 percent natural fruit juice. Directly in competition with 7-Up, the nation's fourth most-popular soft drink, which has been on the skids of late (7-Up executives could not be reached for comment), and with Coke's Sprite offerings, Slice reportedly has been a marketing success beyond Pepsi's expectations. Ross said that national roll-out of the product is in full swing.

Indeed, Ross said, "Slice has surpassed Sprite and become the number two (lemon/lime) drink in most markets it is in." The only significant problem being encountered, according to Ross and several retailers, is in markets where Pepsi bottlers also handle 7-Up, and are reluctant to part with that part of their business. "It is a tough problem, but certainly not an impossible one," Ross said.

Coke's attitude towards its flagship brand, and its willingness to segment and extend it, has changed dramatically of late. It was just a few years ago that using the Coke name on anything but the original formula was forbidden; today, six products bear that name: Coke, Coke without caffeine, Diet Coke, Diet Coke without caffeine, Coke Classic and Cherry Coke, which was introduced this year. (No word on whether Coke Classic will be introduced in a caffeine-free version.)

Coke executives, however, seem unwilling to speak about this change in philosophy. Several phone calls to the company netted only a spokesman willing to read directly from back issues of press releases, revealing only that Cherry Coke's test marketing numbers "exceeded those of Diet Coke when it was rolled out," and that the company's Minute Maid orange soda, with 10 percent real orange juice, is being rolled out at this time in select test markets.

Doctor's orders

When Cherry Coke was introduced this year, it was seen as a direct assault on territory previously owned by Dr. Pepper. But the Dallas, Tex.-based company seems unfazed by Cherry Coke, maintaining that the two products are not really competitive. Jim Ball, a spokesman for Dr. Pepper Company, said the first six months of this year have been the company's best in terms of case sales for a six-month period. Ball also said that the Northeast, traditionally a place where Dr. Pepper is not terribly popular, had the greatest growth over the previous year, at 9.5 percent.

Ball said Dr. Pepper will continue to extend its line of Welch's brand fruit-flavored soft drinks, with a peach flavor being test marketed in Mississippi at the present time.

With Coke's Minute Maid, Pepsi's Slice, Dr. Pepper's Welch's line and Royal Crown's Nehi line, fruit-flavored soft drinks may be the coming vogue. And along with the major companies, numerous smaller firms are looking to get in on the action.

Among them is Napa Naturals, which features two product lines: four flavors of soft drinks with 51 percent real juice, and an equal number of flavors of sparkling mineral water as its diet segment. Bruce Nevins, vice chairman of Adams Natural Beverage Company (Sacramento, Calif.), said that he intends to capitalize on publicity generated by Slice's success and ask a simple question: "Who's got the juice?" (Can "Where's the juice?" be far behind?) ■

—KEVIN COUPE

Canfield's Diet Fudge Soda: A Low-Calorie, Sudden Success

Chicago's Canfield Beverage Co. is a four-generations-old, privately held company that has been making Diet Chocolate Fudge Soda for more than a decade. This year, however, lightning struck twice. First, there was NutraSweet, which gave the concoction (which, incidentally, contains no chocolate or fudge—both would add calories) a new taste.

Second, and perhaps more important, there was *Chicago Tribune* columnist Bob Greene, who lost and kept off 22 pounds by using the stuff. Greene waxed eloquent in print last January, praising it as a soda that is "like eating hot fudge." Greene's column was syndicated nationally, and a craze was born.

Alan Canfield, executive vice president of Canfield Beverage Co., said that the results of Greene's testimonial have been extraordinary. "During 1984, and during every year we sold Diet Chocolate Fudge Soda, we would sell about 1.5 million cans," he said.

"Now, suddenly the whole world is craving it, and during the first seven months of 1985 we sold 100 million cans." By the end of the year, according to Canfield, sales should be in excess of 200 million cans, sold almost exclusively through food stores; Canfield's has been forced to add almost 200,000 square feet in manufacturing space to accommodate increased production.

Power of the press

"It just goes to show you the power of the press," Canfield said. In 1984, the soda—and the other flavors in the company's line—was sold in just four states: Illinois, Indiana, Michigan and Wisconsin. Today, Canfield's products are in all 50 states, plus Israel, St. Thomas and Jamaica. Arrangements are being completed with Australia, and even China is getting into the act. (Canfield said the only impediment to shipping to China is that country's inclination of trading for goods rather than paying cash; "they want to pay us in silks and precious metals," he said. "We just can't figure out the exchange.")

While Canfield complains that he cannot make the product fast enough to meet the demand, other companies are joining the fray. Yoo Hoo Chocolate Beverage Co. (Carlstadt, N.J.), Vess Beverage Co. (St. Louis, Mo.) and Consolidated Foods Co. (Chicago, Ill.), maker of Shasta soft drinks, are among the companies bringing out diet chocolate fudge sodas. But while "I'm just a small beverage company and I hate to go out taking on other small bottlers," Canfield is doing exactly that—in court.

Canfield maintains that his company owns the name "Diet Chocolate Fudge Soda," and is suing competitors to stop them from using the name. He already has won a preliminary injunction against Vess Beverage Co., a 27-page court statement forcing that company to withdraw its product. "I try to be nice by writing them a letter and asking them to withdraw their products," Canfield said. "If they don't, we sue them"—albeit one at a time. "We're just a small company, and can't afford to sue everybody at once."

Yoo Hoo appears to be the next company on Canfield's list, having recently received a letter from the Chicago manufacturer; Patrick Ferro, president and ceo of Yoo Hoo, said his company's attorneys are examining the issue. However, Ferro called Canfield's attitude "counterproductive," and said that unless open competition is encouraged, the diet chocolate beverage business could end up being a fad rather than legitimate and long-term segmentation.

"I would really prefer if Mr. Canfield conducted his fight in the marketplace rather than in the courts," Ferro said. "That way, the consumer would be the winner."

Rebuilding a franchise

Yoo Hoo's attitude is understandable, since its version of diet chocolate fudge soda is helping the company rebuild its franchise. Since its introduction in May 1985, Yoo Hoo's diet fudge soda has sold six million cans, according to Ferro; at the same time, regular Yoo Hoo has doubled its sales during the last four years, a trend Ferro attributes to more aggressive marketing and a reformulation of the product.

Ferro is blatant about his debt to Canfield's. After seeing the Bob Greene column, "we realized it was a good opportunity to get Yoo Hoo into the diet market, which we had never been in before." Ferro says the only negative experience attached to the move into diet drinks is that people associate the carbonated diet soda with the non carbonated regular Yoo Hoo. "People shake it up like the regular drink, and end up taking a bath when they open it," he said.

While Canfield is fighting off small bottlers, he said he is not too concerned that Coca-Cola and Pepsi will find the segment an attractive one, "though if they got into it, they could make our lives miserable."

Retailers, on the other hand, don't seem to be too concerned at all about this new craze. Most of them are surprised but happy about the enthusiasm for diet chocolate fudge soda—no matter who makes it—among their customers, commenting that the six-packs veritably "flew off the shelves once it was delivered." ■

—KC

TOBACCO

A smoke storm of new brands and extensions of existing brands has crumbled the old 20-cigarettes-per-pack, 10-pack-per carton, all-at the-same-price standard.

Traditionally, all the chips in the mega-stakes poker game called cigarette marketing looked pretty much the same. Sure, some chips claimed to have more of something (usually length), or *less* of something (usually tar and nicotine). But out on the table—stripped of their expensively glossed imagery, it was their sameness rather than their differences that stood out.

No longer. While it's true that the same six major manufacturer players are sitting around the table, they've imaginatively, perhaps even brazenly, changed the rules of the game. And the consequences of those changes are being felt through the supply pipeline, from manufacturer to warehouse to checkout counter.

A smoke storm of new brands and extensions of existing brands has crumbled the old 20-cigarettes-per-pack, 10-packs-per-carton, all-at the-same-price standard.

These structural changes are occurring in what is generally agreed to be a "mature" industry that reached its peak in unit sales in 1980 and will continue to slide slowly but irrevocably downward. John C. Maxwell, of Furman Selz Mager Dietz and Birney (New York City), a widely respected industry analyst, expects sales this year to fall off between one-half to one percent. "And I see this continuing into the foreseeable future," says Maxwell.

Black and white

Given the background of an industry that came to realize it had finally run out of real growth, the catalyst that signalled the advent of a multi-price restructuring was the introduction of generic cigarettes by Liggett & Myers in 1981.

Acceptance of that second price tier for cigarettes has since led to the following:

☐ **Discount 20's**—Doral (R.J. Reynolds). Same price as generics.

☐ **Mid-price 20's**—Stride (Liggett & Myers). Priced halfway between conventional 20's and generics.

☐ **Value-Added 25's**—Sold at same price as conventional 20's. Pioneered by Century (R.J. Reynolds), and later joined by Richland (Brown & Williamson) and Players (Philip Morris).

☐ **Convenience 25's**—Sold at a 25 percent premium to conventional 20's. The Marlboro (Philip Morris) extension was first, with Newport (Lorillard) and Pall Mall (American Tobacco) extensions currently in test.

☐ **Premium-Priced 25's**—Offered at a higher price than conventional 20's. Two brands currently being tested: St. James Court (Brown & Williamson) and Ritz (R.J. Reynolds).

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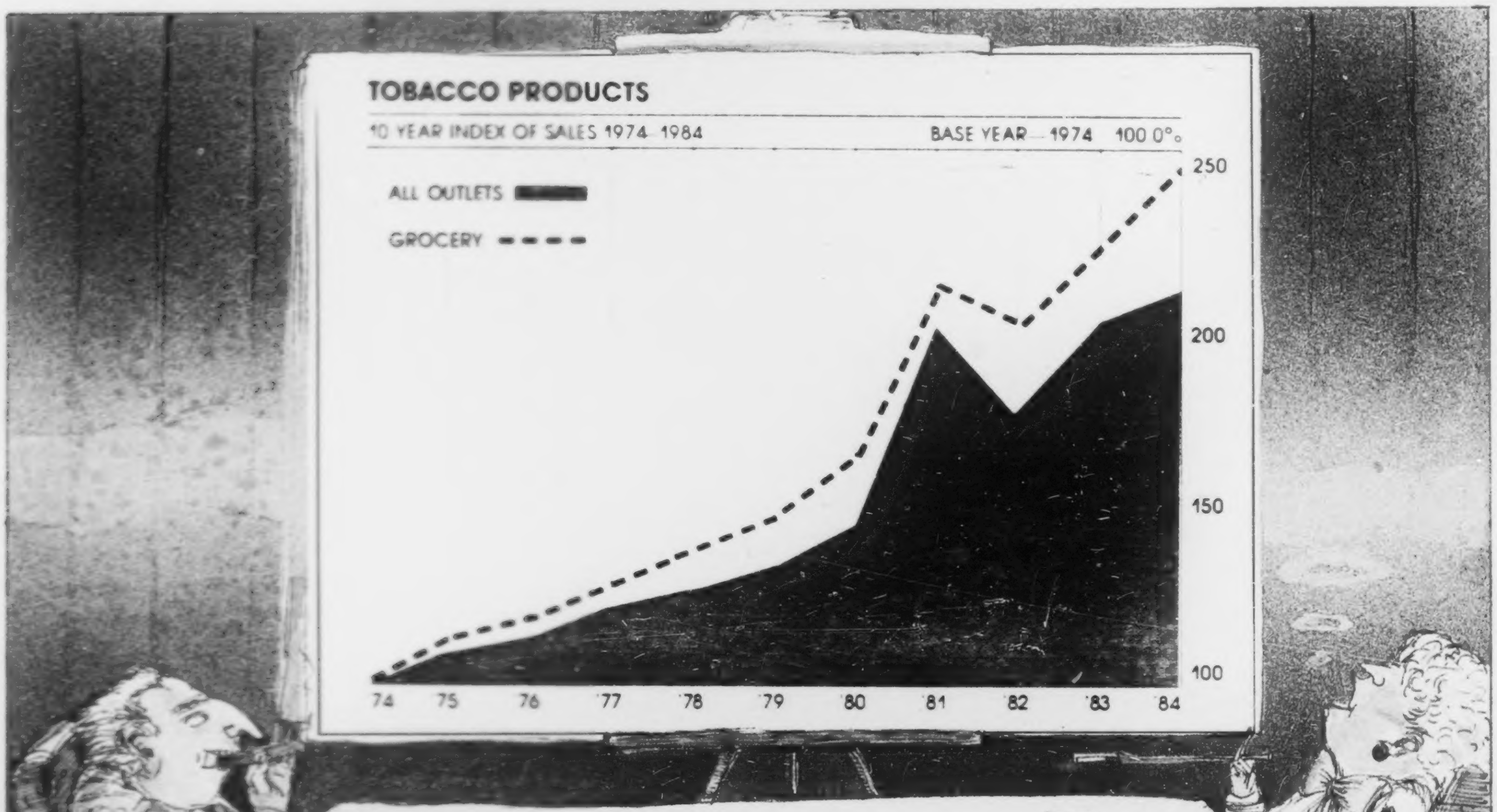

Illustration by Debbie Tilley

TOBACCO

The niche that was most difficult to establish in terms of logistics was the value-added 25's. There is still some retailer resistance, but the category is growing.

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While the proliferation of different pack sizes and prices is breaking new ground on this side of the Atlantic, it has been an established practice in various European markets for years. Adoption of such a system in the U.S. may have been an eventuality, but the swift success of generics in the U.S. hastened the day.

Liggett's line of generics was one of precious few success stories in a lackluster 1984, with its sales vaulting by 43 percent. (The only two other gainers among leading sellers were Marlboro and Newport.)

What Maxwell labels the "generic/discount" category achieved a 5.5 percent share in 1984 and has increased to 6.5 percent in the first half of 1985, divided between generics (five percent) and branded discounts (1.5 percent).

Harold A. Grant, vice president sales and marketing, of Liggett & Myers predicts a continuing widening in the acceptance of generics, during which time it will even shed its black and white birthmark. "About 75 percent of the generic business is black and white now," he says.

"But as people identify with these cigarettes more, you'll see an upgrading into more colored packaging, to the point where that will account for 75 percent of the business." Grant also predicts that generics will break into more than one price category.

Liggett & Myers accounts for about three quarters of generics production, with the balance supplied by Brown & Williamson.

A niche of their own

The cigarette business itself is splitting into two approaches in positioning its brands, according to Martin Orlowsky, senior vice president marketing, R.J. Reynolds. "What's new," he says, is "niche marketing," which means defining specific parts of the market, such as value-added or prestige, and then targetting that part.

"But at the same time," Orlowsky continues, "the broader-based approach will continue with brands like Winston and Salem and Camels."

The niche that was most difficult to establish in terms of logistics (with local tax and stamping laws providing a formidable roadblock) was the value-added 25's. With a change in New York State laws that became effective Aug. 5, only New Jersey, Montana and the District of Columbia remain as holdouts from 25-packs.

While R.J. Reynolds beat down the doors of legislative resistance to the 25 concept on behalf of its Century brand, all five other producers have since ridden across that threshold with entries of their own.

"There's still some degree of retailer resistance," Orlowsky acknowledges, "due to various price points. But scanning is helping here."

Brown & Williamson's entry in this category, Richland, is stressing "five free cigarettes per pack and 50 free per carton" in its advertising. Thomas E. Sandefur, Jr., president, stresses that an essential part of Richland's value-added concept is offering a "high quality tobacco."

Philip Morris is investigating the potential of the value-added 25-pack with Players Lights 25's, an extension of what was originally positioned as a prestige rather than a bargain brand. "It's going to be a contradiction to Players' established image," says Tom Keim, a spokesman for Philip Morris, "but it's still positioned to the adult. The ads will show that Players people *do* lots of things."

Get more, pay more

While smokers of Richland, Century and Players Lights 25's get five cigarettes extra for the price of a 20-pack, buyers of the convenience 25's that are coming on market pay the same price *per cigarette* for their brand whether they buy it in a 20-pack or a 25-pack.

With a year of successful marketing by Philip Morris of the 25 version of their flagship Marlboro brand having warmed up the crowd, two other tobacco companies are moving in this direction.

Lorillard is testing two varieties of Newport 25's in Pennsylvania. (In recent years Marlboro and Newport have also shared the privilege of being the only two top-10 brands to move aggressively ahead in market share.)

"Our research has shown that there is a large number of people who smoke more than 20 cigarettes a day," says Richard H. Orcutt, senior vice president sales for Lorillard. "Some of them don't want to be bothered with buying a second pack, so this is our attempt to satisfy them." (Orcutt points out that Newport's 15.4 percent rate of growth in the first half of 1985 comes on top of a 13-year record of steady growth.)

The third convenience 25 is American Tobacco's Pall Mall. Despite a slippage in share, Pall Mall maintained its position as the number eight brand in sales in 1984.

Class appeal

The only brand label that people carry around with them and display all day to others is their pack of cigarettes. So, the reasoning goes among cigarette marketers, wouldn't they rather display a label that announces them to be discerning and tasteful? Wouldn't they rather smoke a *prestige* cigarette?

Despite less than arresting track records by the last two entries in the gilt-edged smoking sweepstakes (Philip Morris's Players, as noted above, is now playing to the value-conscious; and R.J. Reynolds' Sterling is being repositioned, according to Orlowsky, "to more of a mainstream proposition"), the wrappings are being taken off of several new prestige brands.

What's new about two of these brands is that they're being tested at premium prices, which qualifies these days as a genuine innovation.

The first premium, R.J. Reynolds' Ritz, is packaged with the monogram that launched countless millions bottles of perfume and scarves: YSL. "The name Yves Saint Laurent is the hallmark of fashion," says RJR's Orlowsky. "Based on our research, we feel the name is compatible. Ritz is positioned to appeal to the fashion and style conscious smoker." Ritz is being tested at both a premium price and a parity price. "This is the first 20-pack to be marketed at a premium price," Orlowsky says.

From the Ritz, of course, it's only a short walk to St. James Court, coincidentally the name of Brown & Williamson's premium-price entry.

"We're testing St. James Court in New Orleans at a one dollar a carton premium and in Hawaii at a popular price," says B&W's Sandefur. "We're offering a unique filter in New Orleans that changes the dynamics of the smoke stream and delivers low tar and nicotine, but more taste."

Philip Morris's new pres-

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TOBACCO

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What's new about two new brands is that they're being tested at premium prices, which qualifies these days as a genuine innovation.

tige entry, Dunhill, is being tested in Atlanta and Phoenix at a standard price. This mid-range low-tar smoke is being offered both in king and 100mm. "We're manufacturing Dunhill in the U.S. under license from the Dunhill group in England," says Keim. "It's a separate product from their imported."

Figuring the tip

Not content to place all their bets on price or pack size, or on the pull of prestige, cigarette manufacturers have been busy in test markets with some other propositions as well.

Last month Philip Morris started to test Concord, which has a technologically different filter. "This is the first cigarette ever made," says Keim, "that allows a smoker to adjust the filter from rich to mild." A simple twist of the filter takes the smoke from approximately 5 mgs. ("a light, mild, ultra low tar") to approximately 15 mgs. ("a rich, flavorful, low tar"). The 20-pack, which carries a conventional price, is being tested in a regular version in Little Rock and Spokane and a menthol version in Birmingham and Fort Wayne.

The concept of an ethnic (but not too ethnic) cigarette has been tested by L&M with its Dorado and Superior brands. Dorado outperformed Superior, according to Grant, and will probably be expanded in distribution. "The cigarette was positioned to appeal to Hispanics," he says, "but realizing that they too want to be mainstream, while keeping an Anglo appeal at the same time."

The eight-cent solution

The launching pad for generics—and, by proxy, the fleet of value-added brands that followed—was the doubling of the federal excise tax to 16 cents on Jan. 1, 1983. The sunset provisions of that legislation will mean a reversion to the original eight-cent tax next month unless Congress acts. If it does not act, will cigarette vendors and smokers find happiness in the lower priced sunset?

Not likely, according to Alan Byrn, assistant to the president of The Tobacco Institute.

"In short, the whole excise tax is a muddled mess," Byrn says. "The 10 different bills that have come out of Ways and Means range in their provisions

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Where There's Smokeless, There's Fire

While cigarettes in recent years have forfeited any claim to being a growth sector, there's one segment of the tobacco industry that's actually catching fire—it's called smokeless.

Within both the chewing tobacco and snuff classifications, tonnage advanced in 1984, according to John C. Maxwell of Furman Selz Mager Dietz & Birney (New York City):

☐ Moist snuff (which outsells dry snuff almost four to one) showed a remarkable increase in tonnage of seven percent.

☐ Loose-leaf chewing tobacco (about 84 percent of total chewing tobacco tonnage, with the balance divided among plug-firm, plug-moist and twist) gained a respectable three percent.

If some supermarkets haven't felt the benefits of this boomlet, their own laxity in setting and maintaining proper ordering and stockkeeping practices may be to blame.

OOS = Out of Smokeless

"Compared to the other classes of trade we monitor," says Ron Glasscox, vice president, United States Tobacco Co. (which dominates the moist snuff category with a 89.3 percent share, according to Maxwell), "supermarkets have the highest instance of out-of-stocks, over 20 percent."

To help remedy that problem, U.S. Tobacco is currently introducing a plastic Smokeless Tobacco Center merchandising unit that fits into gondola-type shelving.

"One of the problems," Glasscox points out, "is that smokeless has been scattered all over the store. This will finally give it a home."

The size of the fixture and the number and types of smokeless products it holds will vary to reflect local consumption patterns. Besides cutting out-of-stock rates, the units will help assure product freshness, according to Glasscox. "We don't want stores to order up a big inventory," he says. "We want them to order it up weekly to keep it fresh."

Jobber satisfaction

Smokeless comes to the store shelf via one of two routes, according to E.C. Powell, vice president marketing, Conwood Corp. (the only loose leaf producer to show a gain in 1984 according to Maxwell). "In the South and Southwest," he says, "where consumption is heaviest, most supermarkets order from their own warehouses. But in the lighter areas, like the Northeast and North Central, jobbers stock the section."

"Too often," says Powell, "the store people just aren't aware of the growth in smokeless and don't get involved."

Although regional differences in consumption are still pronounced, Powell feels that, "the old geographic spikes are flattening out, partly due to migration of blue collar workers to new areas."

U.S. Tobacco actively promotes the growth of the smokeless category through a one-on-one sampling program. The company's sales representatives sample Skoal Bandits (a popular "teabag" variation of moist snuff) among cigarette smokers.

Sampling is often done among men entering or leaving the supermarket which the sales representative serves, or sometimes at nearby factories. But never, Glasscox stresses, among those under age 18.

Little dippers

The smokeless industry has recently received the type of attention and censure from public health authorities that first befell the cigarette industry two decades ago.

Provoking the increasing drumbeat of attack is the allegation that both dipping and chewing have become a habit of status among young teenaged boys, posing health risks which, some claim, range from tooth loss and gum disease to mouth cancer. (Dipping is pressing snuff between the gum and lower lip.)

In response to the charges, the Smokeless Tobacco Council has organized a public service campaign to promulgate its position advocating that a minimum purchase age of 18 should be enforced. Sixteen states now have no law on the subject, while in others the minimum age ranges from 15 (Hawaii and Maryland) to 19 (Utah).

Gail Bolph, a spokesman for the Smokeless Tobacco Council, says that posters are being provided to stores that state the law on age and advise prospective buyers: "Please do not be offended if we ask for proof of age."

In addition, a 30-second TV spot produced by the Council advocates that, "...it should be a matter of public policy that smokeless tobacco products should be sold to and used by adults only."

In response to recent attempts at the state and federal level to mandate health warnings on packages of smokeless products, Michael J. Kerrigan, president of the Council, calls the proposed labels "unnecessary and unwarranted."

Growth sector

While likely to remain a product category of low-incidence usage, smokeless has demonstrated an energetic growth pattern rare among tobacco products. How much supermarkets share in that growth will, of course, depend on their willingness to recognize and react to the special demands and opportunities of the category. For its part, the industry has shown its willingness both to provide merchandising leadership and to take the initiative in underlining the "adult" nature of its products.

BD

CONSUMER
EXPENDITURES
STUDY

VITAMINS

The big news in vitamins has been anything with calcium, and the chewier the better. Current vitamin sales are a bit static, but calcium supplements pumped some life into the category.

Anything with calcium—and the chewier the better. That's the big story in vitamins at present and for the foreseeable future, according to supermarket buyers in many parts of the country.

Current vitamin sales tend to be on the static side, but the introduction of calcium compounds and vitamins with calcium supplements promise to perk things up a bit. How significantly, and for how long, is a matter of considerable debate.

Vitamin and mineral product manufacturers are extremely optimistic about the future of supermarket sales, but a lot of store buyers are not so sure. Many, including some of the biggest chains in the country, don't see much growth ahead for supermarket vitamin departments, but others are enthusiastic. Those who do see a bright future for vitamin sales attribute much of the success to consumer education and a national trend towards one-stop shopping.

Vitamin sales are generally flat or declining, according to industry analysts. Possible reasons include changes in national life-styles and a strong interest on the part of more people in nutrition and health. People are definitely interested in deriving necessary vitamins from prepared natural foods rather than from a vitamin capsule, many experts think.

No decline in children's vitamins

One market that has not suffered any decline and shows healthy signs for the future, however, is children's vitamins. Across the board, wherever they are sold, children's vitamins are doing very well, according to vitamin manufacturers.

For adults, and particularly for women, calcium is the hot item. "Vitamins are a tremendous growth area, in part because of the popularity of the calcium supplements," said Jim Mason, director of pharmacies for Consumer's Markets (Springfield, Mo.), a chain with stores in Arkansas, Kansas, Missouri and Oklahoma.

"We've always carried a tremendous amount of vitamins but we're now expanding shelf space," Mason said. "Brands, generics and house labels—there's growth in all areas."

Mason credits both manufacturer advertising and consumer education for much of the success. "Consumers are aware that a balanced diet often needs supplementing. The trend is towards multi-vitamins," he said, noting that some of the stress products and the single vitamins such as B, E and C, have lost some ground recently. Iron by itself, too, has lost some of its status.

With the large majority of supermarket shoppers being

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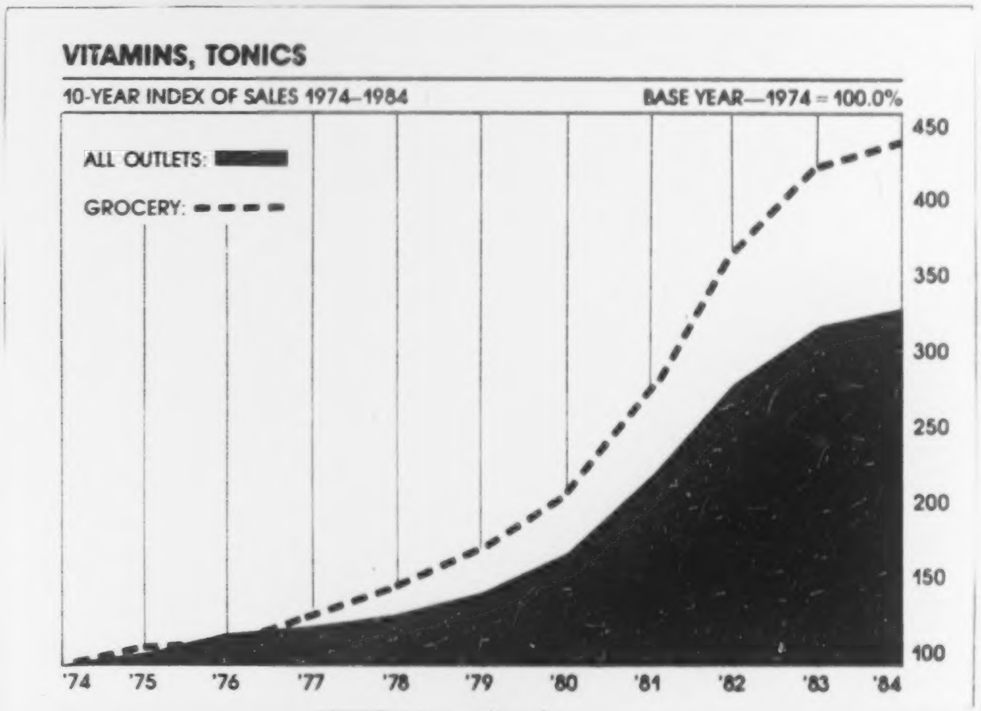
VITAMINS, TONICS

10-YEAR INDEX OF SALES 1974–1984

BASE YEAR—1974 = 100.0%

Illustration by Debbie Tilley

VITAMINS

Manufacturers are very enthusiastic about the future of vitamin sales in supermarkets.

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women, Mason is already seeing the effects of strong advertising for the calcium supplements. A number of recent studies have indicated that most women do not receive enough calcium in the daily diets. Concern over resulting osteoporosis has prompted many to seek additional sources of the mineral. It is this information that has been successfully communicated through manufacturer promotions, and accounts for much of the products' success, Mason believes.

Repeat purchases

From the supermarket point of view, the current interest in calcium supplements is a healthy one because, according to Mason, the generally recommended therapy is long-term consumption of calcium supplements, thus encouraging repeat purchases.

A number of calcium products have been recently introduced to supermarket shelves—Nion's CalciCaps, Marion Laboratories' OS-Cal, Lederle's Caltrate and Miles Laboratories' BioCal. Consumer's director of pharmacies thinks the trend will be towards chewable calcium products.

"What used to be a large, unpleasant tablet now is chewable and tastes like candy. The prices are good so you don't have to pay a premium," Mason said. He predicts that Warner's new SuppliCal will be the best seller.

Farther west there is equal enthusiasm for calcium products though perhaps not as much excitement about the overall vitamin category. "Anything that's got calcium is strong," said Paul Baiza, buyer for Furr's Inc. (Lubbock, Tex.), a chain of 100 stores in New Mexico and Texas.

While the major growth is in calcium, Baiza noted that multiples are also doing well, particularly the Theragram M and the One A Day products, that "are doing great." "We've also had good luck with the Nature Made line," he said.

Furr's has no plans for future expansion of vitamin departments, having done so six months ago to accommodate a growing number of products.

Some erosion in the category

On the East Coast, calcium is also the best mover but overall the vitamin category is stagnant, according to buyers. "Naturals have been on the scene for several years but we haven't seen the volume growth anticipated by most people. We have a strong private label but there's been some erosion in the category as a whole. There hasn't been as strong a growth this year as there has been for the last five years," said a representative from ShopRite (Elizabeth, N.J.).

A&P (Montvale, N.J.) is another major chain that keeps a close eye on vitamins but has not seen any strong growth. "We carry the national brands and an A&P label. It's a convenience item as far as we're concerned, one that does not take a lot of room. The basics seem to be it. Vitamins are not a high-volume category. There's been a slight increase in sales but low volume," said Bill Vitulli, a vice president at A&P headquarters.

A similar attitude is

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BAKED GOODS

One retailer feels that the performance of instores has been lacking more than is generally acknowledged.

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a quality product that we're pricing accordingly' are competing more with the premiums."

McGrath of Angelo's confirms that in his store, which features an upscale crusty bread operation, "Instores are taking more from the premiums than from the private labels."

At Roth IGA Foodliners (Silverton, Ore.), Darrell Rybloom, executive vice president of the 11-store operation, says that the company's instores concentrate on variety breads and limit their white bread production to a butter-crust loaf. "So with us it's the commercial variety breads that are giving up the most sales to our instores."

If the commercial baked goods section is increasingly cast as the ugly stepsister opposite instore's Cinderella, perhaps not all the blame can be placed at the oven doors of the ingenue service department.

"This is a dormant category," says Jules Rose, president of Sloan's Supermarkets (New York City), whose stores do not have instore operations. "If you took a picture of a commercial bakery section today and compared it with one of 25 years ago, you'd find the *same* layout packed out in the *same* way," he says.

"They need to do consumer research, change their displays and liven it up," he asserts. "There's nothing innovative, like a Lean Cuisine, in the baked section—just the same lines and sizes we always had."

At the same time, Rose feels the performance of instores has been more lackluster than is generally acknowledged. "Instores have not reached their potential because of the whole concept of bakery—it's looked at as something that if you eat a lot of you get fat. As long as we're in the psycho-social area of concern about health, bakery is outside the perceptions of what the consumer wants.

"But I believe there *is* a marketing niche that bread can have that's not being fulfilled. Something is lacking. Look at the restaurants; everybody wants their breadbasket filled twice."

Pinney of IGA asserts that the relative torpor of the commercial baked aisle may in part be a reflection of the attitude of store management. "Too often," he says, "the management doesn't have an 'ownership' feeling for this section. The manager doesn't feel it's *his* bread racks. It's Wonder's bread racks, or Colonial's. So he doesn't take a sincere interest.

"Just imagine," Pinney continues, "if a vendor came in and said 'Let me set your meat case for you.' It would be a different story."

With involvement in both the instore and commercial baked sections of IGA member stores, Pinney has a privileged perspective of their relative positioning. "There's too much of a tendency to see the two departments as competing," he feels. "It's important to aggressively promote *both* to maximize sales and profits."

More fizzle than POP

According to Jules Rose, the commercial baked aisle is the beneficiary of "very little advertising and almost no POP." He exempts S.B. Thomas from this indictment.

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The gummi bears category is without a doubt the biggest thing happening in non-chocolate candies today, says one retailer.

CANDY

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a substantial bulk business in addition to their bagged sales."

Ray Boudreaux, a store director for Albertson's Food Centers (Sacramento, Calif.), confirms this. "Bulk candy is doing very well," he says. "We have about 16 feet of bins with 16 items stocked. The best sellers have been starlight mints and gummi bears, which are very, very big."

Gummi products apparently appeal as much to adults as to children. And when 55 percent of all candy purchases are being made by people over the age of 18, this is clearly of concern to candy suppliers and retailers.

In the chocolate category, the candy industry's largest and most competitive segment, manufacturers are pitching their products as an *adult* snack food, hoping to broaden the appeal of chocolate and carve off a bigger slice from the estimated $25 billion snack food industry.

The strategy must be working. As far as Jules Rose, chairman and ceo for Sloan's Supermarkets (New York), can see, "Adults are definitely munching more. That's the big story in the candy department." And sales at Sloan's reflect this. "We've increased our shelf space by at least 32 running feet," he says.

Chocolate bar sales grew by 10 percent overall in 1984, with supermarkets experiencing nearly a nine percent growth in sales. Boudreaux at Albertson's confirms that "the whole category has increased. With the economy doing better, people are more willing to spend their money on these items."

Old favorites and new intros

Growth in the category has been achieved through a combination of aggressive advertising of old favorites, and abundant new product introductions. According to Ronald B. Morrow, vice president of research at the Manhattan brokerage firm, Smith Barney Inc., in the past year significantly more new items were introduced than in previous years, most notably Skor and Take Five from Hershey Foods Corp. (Hershey, Pa.), and Alpine White by Nestle Foods Corp. (White Plains, N.Y.).

Skor, a chocolate-covered butter toffee bar, and Take Five, a chocolate-covered wafer and peanut cream bar, both gear their advertising to the adult market. Skor has been beating out the previous toffee bar favorite, the Heath Toffee Bar, from L.S. Heath & Sons (Robinson, Ill.).

Take Five, not yet in national distribution, is projecting an image of being the perfect choice for a light, snack-break. And Alpine White, a white chocolate bar, also is designed to please the adult palate. According to one industry analyst, the bar has become Nestle's second best-seller, after the Nestle Crunch Bar.

Air-blown bar

Hollywood Brands, Inc. (Clayton, Mo.) finished its national rollout of a chocolate version of the Pay Day chewy, nutty bar this year. The original is one of the leading non-chocolate bars. Peter Paul Cadbury

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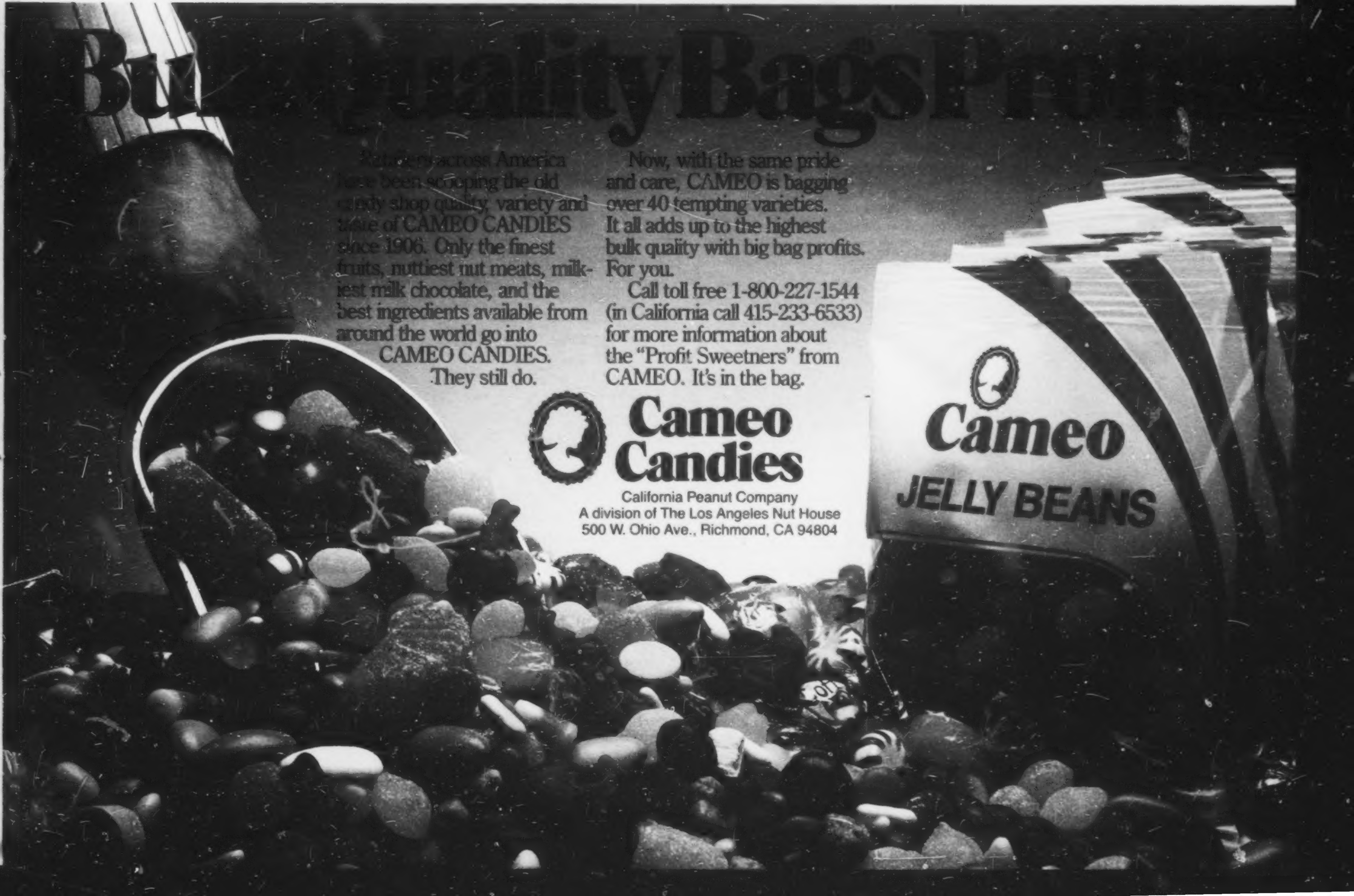

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CEREAL

The hot cereals segment of the category is growing. Many manufacturers fully expect instant hot cereals to dominate this group of products.

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the cereal category is growing, industry sources say. The hot cereal segment, while it gets far less publicity than its cold sibling, remains one in which there is decent growth— if the weather stays bad. "I'm the only one around here who smiles when it is snowing out," said Nabisco's McKnight.

Nabisco and Ralston-Purina are, respectively, a distant second and third in the hot cereal business, according to estimates. Quaker Oats dominates hot cereals; the company says it had a 15 percent increase in hot cereal sales last year and expects to do roughly the same this year. Almost half of Quaker Oats' cereal sales are in the hot cereal category; during the 1984 fiscal year, hot cereal accounted for $220 million in sales for Quaker Oats, while cold cereal brought in about $280 million in sales.

Ronald G. Bottrell, a spokesman for Quaker Oats, said that many fully expect instant hot cereals increasingly to dominate this part of the market. "Based on our product introductions in the instant oatmeal category," he said, "I really believe that hot cereal can become an alternative to cold cereals because of the ease with which it can be made." With the introduction of two new flavors last year— Strawberries and Cream, and Raisins, Dates and Walnuts—Quaker Oats has brought its total line of instant oatmeal to 10 flavors.

The battle for supremacy goes on. Ralston-Purina's new Sun Maid Hot Cereal, which was termed "a disaster" by one source, will be reformulated this year. Pet Inc. will spend $8 million this fall to introduce and market DairyCrisp, a new high calcium cereal designed to appeal to women over 30, and with a cereal box cover photographed by fashion photographer Richard Avedon.

No matter if the weather is warm or cold, these manufacturers—and all of their competitors—will be praying that their products are hot. ■

—KEVIN COUPE

BAKED GOODS

One store has an embargo against sweet goods that compete directly with instore. "Why sell a dozen of their doughnuts at 15 percent markup, if it drastically hurts the sale of our instore items with 50 percent markup?" the retailer notes.

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"I believe what makes us different from most of the other people in the commercial section," says Nina Henderson, vice president marketing, S.B. Thomas (Totowa, N.J.), "is that we take a classic packaged goods approach. First we concentrate on consumers, and find out what they're looking for, using market research. Then we create consumer demand through advertising and promotion in concert with the retailer.

"We spend a tremendous amount of time merchandising through retail channels. That means good POP programs and incorporating retailer ad support as a key element."

An example of the thoroughness of the S.B. Thomas approach is last month's Thomasburger promotion, which offered a refund of up to $1.50 on a pound of ground beef. As early as June, retailers were involved in the program, which included POP posters in stores and freestanding inserts in Sunday newspapers on Aug. 11, along with radio support.

Henderson gives much of the credit for the success of such programs to what she calls "our merchandising sales force. They don't just deliver; their point of view is that they're *selling* to the retailer. And that gives us an edge." (Thomas's well-coordinated delivery and reporting system, abetted by the use of Norand hand-held computers on every truck, provides a further edge.)

To date, the marketing-oriented Thomas approach has inspired few imitators. "I call the commercial baked goods section the Alaska of the supermarket," says Henderson. "It's a frontier that offers the chance for pioneering new approaches. That it's undermarketed is a historical fact. For proof, just contrast it with any other aisle of the supermarket."

The seven-day switch

If commercial bakers are increasingly reduced to taking the crumbs left them by instores, perhaps it's not just *how* they support their products with promotion (not much), but *what* they offer for sale.

DCA (Jessup, Md.) supplies baking mixes to both instores and wholesale bakers. Len Fisher, president of DCA, observes that his wholesale baker customers are split into two camps, one of whom he gives much better odds for survival against instores.

"I see a lot of regional bakers that are targeting to quality and saying 'We're doing something good.' So they push us to give them something better—not cheaper. They want a better quality doughnut, a better flavor doughnut. That means a product on a shorter life cycle. They're looking for a wider variety, too.

"But at the same time, unfortunately, there are those who are trying to go cheap, who are looking for the lowest distribution costs, which means leaving the product on the shelf longer, often for seven days. They're willing to keep the same bloody line and to tell the supermarkets, 'This is what we have. Take it.' They're the ones who are being nibbled away at."

Cachet in the rye

Pepperidge Farms (Norwalk, Conn.) has been successful in stirring up consumer interest in baked goods by introducing new products. A recent success, according to John Tierney, vice president corporate relations, is Very Thin Dijon Rye. "It has a different taste that people like and it's proving to be very successful."

Pepperidge is testing a Petite Croissant line in New England in response to consumers who said they liked the flavor of the standard size but would prefer that they were made smaller, Tierney says.

S.B. Thomas, which almost singlehandedly built the English muffin category (census figures show a growth of 21 percent between 1977 and 1982 compared to 2.7 percent for all baked goods), now appears to be pulling off a similar marketing coup for pita bread with its Sahara line.

How big a bite?

The future of the commercial baked goods section appears in need of an extra scoop of yeast. Beset by competition from instores that have usurped both space and customers, allowed to languish as a merchandising backwater, and rent by internecine struggles (variety bread versus white bread; private label versus premium; and bread versus sweet goods), the baked goods aisle is sorely in need of some creative new recipes to restore its vitality and its identity. ■

—BOB DIETRICH

Continued from page 139

makes a premium ice cream, however, saying that it is up to manufacturers to identify their own role in the marketplace.)

Premiums and super premiums, she said, make up only 10 percent of the ice cream market at present, yet seem to be providing most of the growth. Furthermore, she said, imitation dairy products made from such ingredients as soybeans are not proving to have a negative impact on the overall category, but are adding sales as well.

At The Haagen-Dazs Shoppe Company, Inc. (Englewood Cliffs, N.J.), the subsidiary of the Pillsbury Company that manufactures and distributes Haagen-Dazs nationwide, there has been concern that the company viewed by many as the pioneer in the premium ice cream category must stay ahead of the competition.

"We are not going to rest on our laurels, but we are going to move very carefully," said Beth Bronner, director of marketing for Haagen Dazs. In the past year, Bronner said, Haagen-Dazs moved to create an entirely new segment with the introduction of Orange-Vanilla Sorbet & Cream, a mixture of ice cream and sorbet. Such introductions are likely to continue, she said. "Because of the nature of who and what we are, we have a proprietary interest in making the category grow."

According to IAICM's Brydon, also significant in the eyes of ice cream manufacturers is the startling rise in sales of ice cream novelties, most of which formerly were consumed by children. "We didn't even track novelties five years ago, but it was likely that less than 15 percent of them were consumed by adults. Today, 49 percent of them are consumed by adults." It is a development, Brydon said, that manufacturers find encouraging, though it is expected, on the basis of 1985's still-incomplete figures, that there may well be a slowdown in sales during the current year.

Carnation's Finley said that his company, manufacturer of such adult oriented ice cream novelties as Bon-Bons (which used to be found in movie theater concession counters but have become increasingly popular in the nation's supermarkets during the past few years), remains convinced that ice cream "is where there is room to play. Day in and day out, that's where the glamour is. You get to concoct a new flavor, or think up new names for flavors." And, Finley said, "If you are going to be in the ice cream line, you have to be in the ice cream novelty business."

If ice cream and yogurt are hot items in the nation's grocery stores, the foundation for their very existence, milk, is at best lukewarm. Fresh milk was a $16.8 billion business in 1984, with roughly a third of that—$5.96 billion—done in grocery stores around the country. Grocery stores saw only a 1.2 percent increase in milk sales during the year, which fits in with USDA's consumption figures for the same period.

Cliff Carman, a dairy economist with USDA's Economic Research Service, said that the average American consumed 27.3 gallons of whole milk during 1984, as compared with 27.3 gallons in 1983 and 26.8 gallons in 1982. In low fat varieties (both one percent and two percent milkfat), the average person in the United States drank 9.39 gallons in 1984, up from an even nine gallons in 1983 and 8.8 gallons in 1982.

"Five years ago, in the milk

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DRIED FRUIT

Industry sources say that dried fruit, like fresh produce, is difficult to evaluate as a category, because of the vagaries of weather conditions.

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are paying any attention, 10 cents more for a box isn't going to make any difference to them," he said. "Of course, it all depends on what they use them for and what they are going to replace them with. I still don't think they are going to use less because the price is going up, because it is still going to be way below what it has been in past years."

Soetaert said that in anticipation of increased field prices, Sun Diamond already has instituted a price hike of about seven percent for its raisin products.

Beyond raisins

But limiting production and raising prices are just two responses to the economic difficulties of the raisin business.

Beyond those, and indeed beyond the raisin industry, and reflected in the dried fruit category as a whole, is a change in the notion of what dried fruit really is, and to whom its marketing pitches should be addressed.

At the retail level, dried fruits seem to be considered as poor stepchildren, although there is evidence that some evolution from that position is taking place. Retailers, while seemingly appreciative of the business that dried fruits were generating, seemed less than enthralled with the category.

"It seems to me that raisins are kind of a set item, and that people who buy them will buy them at any price," said Tim Franklin, assistant manager with Gregerson's Warehouse Groceries (Gadsden, Ala.). "I don't think it all makes that much difference. There might be a difference if there were dollars for display allowances, but there is no promotion money. We wait for the salesman to come along with a good deal. But nobody comes."

Franklin said that his relative complacency towards raisins extends to other dried fruits as well. He described prunes as "appealing pretty well to a set number of older people who use them as a laxative," figs and apricots as "very slow," and dates as items that "sell only around Christmas and Thanksgiving, when people use them in fruitcakes."

And yet, Franklin was simply brimming with ideas about how to sell dried fruit, both as ingredients and as snacks. He suggested that the manufacturers begin stressing snack-pack sizes in an effort to get their products into the lunch boxes of school children, thus creating a habit that might persevere through their lives.

And, he recalled a time when he was growing up, when after a hard day working in the cotton fields, his mother would make him a "fried pie," made of dough, powdered sugar and—you guessed it—dried fruit, deep fried to crispy perfection. "It was a big item here in the South, and it used to be a great thing to eat on a break from chopping cotton," he said.

Producing sales

Both Franklin and Joseph V. Scotto, vice president for produce operations with Victory Markets, Inc. (Norwich, N.Y.), said that they were moving on their own to increase dried fruit sales by keeping the category in the produce departments of their stores.

"We like to keep it all in one section, grouped together in the produce department," Scotto said. "Just for dried fruit, we like to have a good four-to-eight feet, but the size varies with the size of the store. We fit in whatever we can; if we have an eight-to-12 foot length, then we have more facings."

Scotto agreed with Franklin's assertion that raisins and apricots had enjoyed a good year, while dates and figs were hardly a factor in store sales. Prunes, he said, remained fairly steady, appealing just to regular buyers rather than expanding in terms of market appeal.

Not everyone can give his dried fruit the increased attention afforded by Gregerson's and Victory. Take Warehouse Foods, Inc. in Jonesboro, Ark., for example. Bill Dunnam, an assistant buyer there, said that in his stores, "it's not with the produce. We have it with things like the peanut butter. We don't have room to put it with the produce. As far as dried fruit is concerned, we don't mess with it much. We just put it on the shelf."

And so, dried fruit manufacturers are faced with a problem. Their products are not viewed as terribly important to the supermarket mix, and the danger is that they could be completely forgotten, that retailers and consumers alike will not "mess with it much." And the solution, it appears, may not be so much the kinds of products as the way in which they are positioned.

At Del Monte Corp., known as the largest purveyor of dried fruit in the U.S., the move is on to drastically expand its dried fruit offerings, which have traditionally included apples, apricots, currants, peaches, prunes and raisins in a variety of forms and packages.

While it has not discontinued its traditional lines, Del Monte, according to spokesman Bachmann, has established something that is viewed as "a whole new line, not just a line extension"—Fruit Snacks, a line of three different products designed to capture the healthful snack category.

Fruit mix, yogurt-covered raisins and pitted prunes have been packaged and positioned in such a way that they have easy-access appeal to people on the go, people who are looking for a good-tasting snack that is not a candy bar. Unlike some other offerings in this category, these are not geared to children, but rather to adults; the snacking aspect of it is emphasized through single-serve pouches available for sale.

National roll-out on this new line (which includes a new packaging for plain raisins) began in July 1985, and while it is too early to tell what consumers' reactions will be, Bachmann said that initial interest from consumer press food editors has been encouraging.

Sun-Diamond has approached this market with the development of similar products, such as yogurt-covered raisins, prune bits, carob coated raisins, chocolate chip raisin crunch, and raisin crunch—all of which utilize dried fruits in a variety of different ways. And, Soetaert says, new products are in the pipeline that will present pitted prunes and figs to the public in new plastic pouches that will appeal to the convenience factor.

Packaging, according to Soetaert, is a tremendous factor in dried fruit sales. "It's why we have been changing our packaging immensely," he said. "We put fresh fruit on the package...and we connect the fresh fruit to the dried fruit." No longer will dried fruit be displayed in see-through packages, he said. "It's ugly."

In addition to Sunkist Growers' efforts, moves in the children's dried fruit segment are being made by General Mills (Minneapolis, Minn.) through its Fruit Roll-Ups offerings. Begun in January 1983 in four

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DAIRY

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market, regular homogenized milk was 70 percent of the business, and (low fat) was maybe 30 percent," said David Trottier, president of Smitty's Supermarkets (Springfield, Mo.). "Today, that trend is reversing. (Low fat) is actually outselling regular homogenized by about a 55-to-45 ratio. You could never have proven it to me, but they've really come up in sales. Of course, sales overall are just kind of holding. They really have been flat for the past few years."

Juanita Hall, the frozen, dairy and deli buyer with Nob Hill General Stores (Gilroy, Calif.), offered another look at the dairy buying patterns that affect her chain. "We're spread out over 60 miles, with both Silicon Valley and farm areas within our radius," she said. "As far as milk goes, for example, in Silicon Valley we sell a lot more of the low fat milk, while in the farming regions we sell more of the homogenized."

Ice cream products fall into similar patterns, she said, with expensive premium products—Nob Hill General Stores carries almost a dozen brands in a 60-foot-long cooler in some of its newer stores— selling extremely well in sophisticated markets, while on the farms, "where they don't have huge freezers and they do have lots of children, they tend to eat more of the ice cream novelties."

The 1985 Consumer Expenditures Study reveals that cheese sales at grocery stores experienced a 2.5 percent increase during 1984, making up 72 percent, or $4.1 billion, of the nation's overall $5.6 billion cheese market. But the statistics do not deal with one significant retailer concern—that the growing popularity of service deli departments in supermarkets and the sale therein of sliced-to order cheeses will have a negative impact on prepackaged cheese sales.

Cheese it

Salvatore Mazzella, purchasing manager with Hotel Bar Foods, a division of Beatrice that provides prepackaged dairy products on the East Coast, agreed with this concern. "People are into fresh products and they like to see things sliced in front of them," he said. "Consumers are always looking for new ideas," Mazzella said, suggesting that for the moment, at least, packaged cheese may be an old idea.

Not to worry, responded R.F. Anderson, executive director of the National Cheese Institute (as well as of the American Butter Institute). "The two departments (deli and dairy) are really synergistic," he said. "While in a deli you are able to get different sized portions of a lot of different cheeses, it also can happen that someone will see a long line at a service deli and decide to get something from the dairy case."

Anderson suggested that the best retailer reaction to the success of the deli department is to stock more and different cheese in the dairy case.

"I really think we're picking up new sales," Anderson said. "I saw a study that said that 98 percent of the people in this country eat cheese. Maybe there is a shift going on, but I don't know from where."

And if 98 percent of the nation's consumers are eating cheese, the National Cheese Institute is going to do its level best to make sure they eat it more often. The sales pitch? Osteoporosis, of course, and how the natural calcium found in cheese can help battle that disease.

"I believe that is something we should stress more in the coming year," he said. "Maybe it sounds like preaching to the saved, but cheese can offer calcium in its most concentrated form, and may be a little more acceptable to the older generation than milk." ■

—KEVIN COUPE

Consumption of yogurt in this country is definitely on the rise. It has become an increasingly competitive part of the market.

VITAMINS

Continued from page 198

expressed by Tim Honeycutt, a buyer for Food Lion (Salisbury, N.C.), a chain of 300 stores. "Our past experience has been that the volume is not there. But, due to customer demand, we've had to put vitamins back in the stores," he said.

Promotional support is strong

One subject buyers do generally agree on is that promotional support from vitamin manufacturers is strong. "There's always a deal kicking around in vitamins," said A&P's Vitulli. "The manufacturers work with and give us good support," Consumer's Mason agreed.

Manufacturers are very enthusiastic about the future of vitamin sales in supermarkets. Citing the trend towards one-stop shopping brought about by the increasing numbers of two-worker households, they are eager to make further inroads in the supermarkets.

"We see them as a growth opportunity. We're not in there as much as we'd like to be, but we're in the process of developing plans to strengthen our supermarket sales," said a representative from The Upjohn Company. Upjohn is looking for opportunities to pick up new food chains for its Unicap products that are now sold in supermarkets. Unicap M, Unicap T, Unicap capsules and Unicap Plus Iron are the products the company distributes through the food industry.

Miles Laboratories, makers of BioCal, has recently introduced Within, a compound that provides women with additional iron and calcium. Accompanied by a major advertising campaign, the company expects it to boost sales.

BioCal, which comes in two sizes and either tablet or chewable, has, for the most part, been marketed to the medical profession, according to Dolores Cogan, director of public relations at Miles, but it is also sold through supermarkets.

Mead Johnson is one of the companies that have enjoyed the growth in sales of children's vitamins and looks at the supermarket industry as a major growth market. "We shifted channels of distribution in 1983 from drugstores only to a mix, and we've been very pleased. 15 percent of incremental sales growth can be attributed directly to supermarkets," said Ken Cable, vice president of sales.

Mead produces only pediatric vitamins for supermarket sales. Its 1984 line of Smurf vitamins has not been as successful as the company would like, according to Cable, primarily due to relatively little television and print advertising, but the overall business looks good. "Business is healthy. There's a real shift in buying patterns to food and mass merchandisers, away from drug stores," Cable said. ■

—BOB MILLER

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PERIODICALS

Conde Nast's 10 titles have grown 70 percent in dollar sales and 30 percent in unit sales over the past five years. One reason, says an analyst, is a successful cross-merchandising program.

Continued from page 171
expansion of the program.

Brown adds he has seen an increase in space given to paperbacks in supermarkets because wholesalers have convinced retailers that the arrangement can be mutually beneficial.

Proof that supermarkets have stepped up their involvement with books can be seen in the growth of Barnes & Noble Book Store sections. The program was begun in 1982, and there are now 125 in Stop & Shop, Pathmark and Heartland stores, according to Peter Slater, president of Supermart Book Distributors, Inc., a division of Barnes & Noble Book Stores, Inc.

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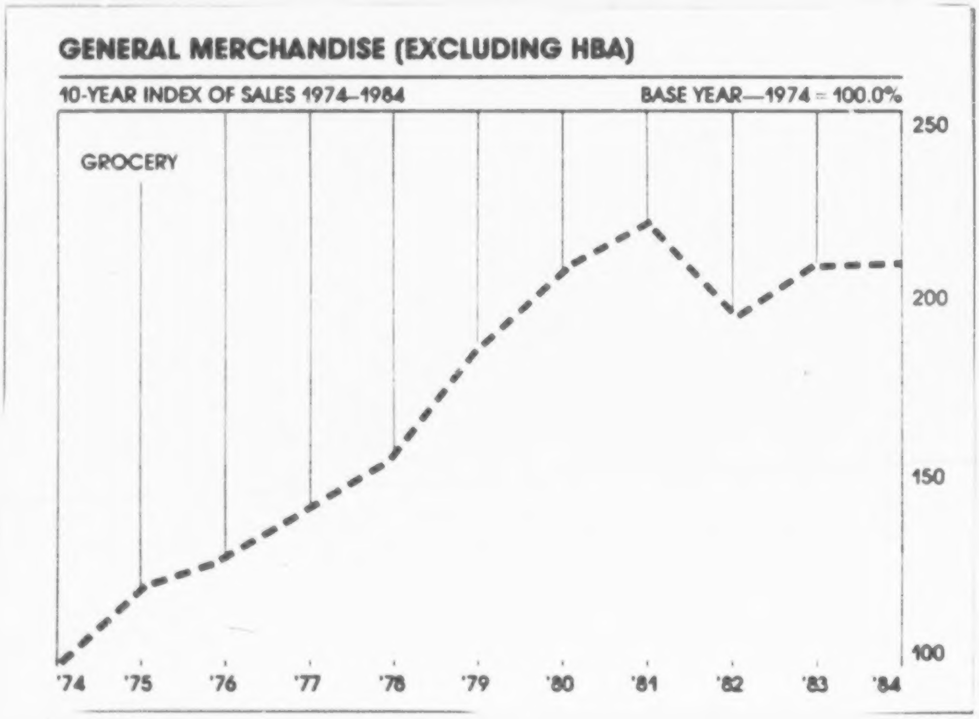
GENERAL MERCHANDISE (EXCLUDING HBA)

PHOTO SUPPLIES

Manufacturers are eagerly applauding the food industry's interest in stocking photo supplies; retailers would like a little more money for cooperative promotions.

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Nash-Finch, which has stores in 14 states, has been expanding its photo departments and, in Ramsbacher's words, "is taking a hard look at film processing." "We'd also like to see more cooperative advertising directed through us to the consumer instead of directly to the consumer," he added.

Brookshire Bros., Inc. (Lufkin, Tex.), with 47 stores in Louisiana and Texas, is another chain that has experienced good film sales and little manufacture promotion support. "35mm is most of the business, but we don't use advertising support on film," said Buddy Colmer, a buyer for the company. He also noted that Polaroid film sales have suffered at the hands of the now more popular 35mm print film.

Polaroid is not a major category for A&P (Montvale, N.J.) either. "35mm print film is tops by far," said Bill Vitulli, a vice president at the company's headquarters. Aiming for the shopper for whom time is of the essence, A&P is incorporating new display methods such as four-sided rotation racks in photo departments at its larger stores.

A&P does offer film processing in many of its more than 1,000 stores but has not gone to one-hour service due to a number of internal factors. "We're evaluating it at the moment," Vitulli said.

ShopRite (Elizabeth, N.J.), which has more than 190 stores, is an example of a supermarket that sells cameras as well as film. All of the less expensive, automated models do very well, according to a spokesman for the company. Those include the 110 size instant cameras, Polaroid models and disc cameras.

35mm coming on strong

Film sales at ShopRite indicate that 35mm is coming on strong but that disc film is doing very well also. The older 110 instamatic film has suffered and the even older 126 is virtually non-existent on the sales charts.

ShopRite also offers film processing and, while the one-hour service is being tested in a few stores, the company has all but decided to continue using independent laboratories to offer regular service.

Film from three major manufacturers is sold in supermarkets, and all are enthusiastic about the future. While Kodak maintains the lion's share of sales, Fuji, a Japanese company, and Polaroid also have products on display in food stores. In the opinion of many industry analysts, supermarkets represent the photo industry's fastest growing outlet for sales of photo merchandise.

Film and camera manufacturers cite a number of factors contributing to the success of supermarket sales, notably the food industry's attention to non-food merchandise.

"Supermarkets are a major category of distribution now," said Allan Karcher, director of trade relations in Kodak's consumer products division. "Supermarkets are giving non-food products far more attention because of the trend towards one-stop shopping," he said.

Karcher pointed out that

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PHOTO SUPPLIES

Supermarket film sales are quite a bit higher than other outlets, since customers are in a food store more often than in other kinds of stores.

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drugstore sales of film have not suffered but that the photo industry is particularly interested in supermarket sales because of the higher frequency of shopper visits. "Customers are in a food store on the average of two-and-a-half times a week, while they probably only visit a drugstore once a week," he said. The result is that supermarket film sales are "quite a bit higher than other outlets."

Big sales for "snapshot" film

According to Karcher, amateur-type films are still the best sellers because the bulk of supermarket shoppers are "snapshot camera users." But, as many supermarket buyers are finding out, the evolution of the inexpensive automated 35mm camera has changed sales patterns at the company. "The trend is definitely towards 35 millimeter. They've taken off in the last five years," he said.

Kodak has not given up on the disc camera, which continues to enjoy healthy sales figures. The company will introduce a new model, a disc camera with a built-in telephoto lens, in the near future, which should also affect film sales if it proves to be popular. Kodak is also looking at the development of supermarket film processing services, not because the company is eager to do the processing but because Kodak materials and processing products should stand to profit.

According to Kodak officials, the company is also eager to work with supermarket companies to develop better ways to market film products. "We have local representatives who call on supermarket chains to advise them as to how best to market our products, and we work through a network of food brokers to help develop supermarket displays," said Karcher.

Polaroid Company has been pleased with its performance in supermarkets and looks forward to even better years ahead. "Both the amount of sales and the proportion of supermarket sales to our total have increased. It's one of the areas we've done well in and we're looking to expand in 1986," said Brian O'Connor, national sales manager.

Healthy profit potential

O'Connor cites two facts that have led the company to believe that supermarket chains should be excited about selling photo supplies: almost half of all film is bought by women (although it's men who buy the cameras), and the vast majority of supermarket shoppers are women. Also, the comparatively high dollar items that film and photo supplies represent mean healthy profit potential.

Polaroid is definitely looking to the future in its emphasis on videotape sales and new products that can be sold in supermarkets. "We are one of the dominant companies for supermarket videotape sales, and as we develop new products and ideas we'll be going after the supermarket business," O'Connor said. ■

—BOB MILLER

GROCERY STORE CONTRIBUTION TO VARIOUS GM* INCREASES 1984–1983

	1984 SALES (000)	1983 SALES (000)	1984–1983 SALES INCREASE (000)	GROCERY STORE SHARE OF INCREASE
Flashlights & Batteries				
Grocery Stores	$ 465,738	$ 422,280	$ 43,458	17.4%
All Outlets	$3,043,732	$2,794,210	$249,522	
Greeting Cards				
Grocery Stores	$ 363,933	$ 309,730	$ 54,203	31.9%
All Outlets	$3,321,091	$3,150,940	$170,151	
Housewares				
Grocery Stores	$ 318,400	$ 308,770	$ 9,630	8.6%
All Outlets	$3,632,883	$3,521,170	$111,713	
Magazines, Newspapers				
Grocery Stores	$1,319,320	$1,248,800	$ 70,520	15.9%
All Outlets	$8,971,680	$8,529,030	$442,650	
Pet Accessories				
Grocery Stores	$ 405,002	$ 400,910	$ 4,092	28.0%
All Outlets	$1,518,152	$1,503,530	$ 14,622	
Photo Supplies & Processing				
Grocery Stores	$ 819,983	$ 763,640	$ 56,343	13.8%
All Outlets	$5,548,881	$5,140,601	$408,280	
Toys				
Grocery Stores	$ 211,974	$ 198,850	$ 13,124	1.7%
All Outlets	$9,601,862	$8,833,360	$768,502	
Stationery				
Grocery Stores	$ 124,547	$ 118,590	$ 5,957	43.4%
All Outlets	$ 591,990	$ 578,270	$ 13,720	
Sunglasses				
Grocery Stores	$ 68,400	$ 65,580	$ 2,820	14.7%
All Outlets	$ 929,590	$ 910,470	$ 19,120	
Women's Hosiery				
Grocery Stores	$ 726,829	$ 663,750	$ 63,079	14.3%
All Outlets	$3,942,600	$3,502,870	$439,730	
Writing Implements				
Grocery Stores	$ 94,854	$ 90,830	$ 4,024	11.7%
All Outlets	$ 831,140	$ 796,720	$ 34,420	

*Excludes HBA & Rx

PERIODICALS

Continued from page 208

The units are not franchised; rather, Supermart acts as a conventional wholesaler, stocking the department, controlling the mix of products, handling merchandising, presentation and promotion. The sections range in size from Stop & Shop's 1,000-square-foot displays to Pathmark 56-linear-foot in-line display.

Regular promotions

Supermart runs promotions on a regular basis, ranging from endcaps of Stephen King hardcovers to displays of Barnes & Noble exclusives such as Webster's Unabridged Dictionary at $50 off the cover price, and "Sports Of The Times" and "Page One," annual collections drawn from New York Times articles. The books are broken down as follows: 10 percent hardcover (mainly bestsellers); 25 percent children's books; 15 percent remainder and discounted books; and 50 percent mass market paperbacks.

"Hardcovers are not a large portion of the sections' business, but they're highly visible and it does a lot to promote the image of the stores, and lends a degree of completeness," Slater says. "It makes the customer

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PERIODICALS

When warehouse and super warehouse stores replace conventional supermarkets, sales decline.

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believe they have a full-line bookstore, which is an illusion. But it gives them a breadth of product that gives that image."

Finally, a company known for its tabloids is branching out into publishing books. Sort of. Globe Communications Corp., publishers of bestsellers *Globe, National Examiner* and *Sun*, all weeklies, began a new merchandising/publishing venture this month.

Globe publishes booklets tied to specific merchandise such as salad dressing, or diet recipes, which are subsidized by major marketers, who have the option of printing their company name on the cover. The booklets are available free of charge to firms that advertise heavily in Globe tabloids, or for a fee.

Globe ad director, Jack Linder, promises display at over half a million pockets, both at checkouts and shelf extenders.

"There are very few national companies for merchandising and promotion. Since we already have a sales force in play our cost is far more economical, and we're already established," Linder explains. He adds that sponsors of the booklets can choose whether the booklets are to be sold or included in special promotions.

"There are all different kinds of options. The program can be customized to a particular chain, on a regional or national basis, or on an ADI basis," he concludes. ■

—PETER LEVITEN

BEER

Low-alcohol beers are given low marks by manufacturers, who admit they have not performed up to expectations. No-alcohol beers, on the other hand, seem to have some appeal for brewers.

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are a higher ticket item, so if a chain is getting 25 percent, they are getting more profit from the imports."

But, the brewer added, it is important to recognize that the core of the beer business remains the domestic brands, which account for 96 percent of beer sales in the U.S., and that imports, with the remaining four percent of the business, are about equal to malt liquors in terms of relative contribution to the marketplace.

Malt liquor

The malt liquor segment is targeted primarily at black communities in the nation's metropolitan areas, according to manufacturers, and accounts for about four percent of the beer market. It is by no means a dormant segment; in the spring of 1984, Anheuser-Busch expanded to 20 states the distribution of its King Cobra malt liquor. While this might appear to be at odds with the national trend toward lighter products, a company spokesman said it is "not incompatible." The spokesman said, "We develop a variety of products for a variety of different taste segments." He said, "It is consistent." Other malt liquors include Miller's Magnum, Pabst's Olde English 800, Molson's Brador and the best-seller, Schlitz Malt Liquor.

According to published reports, one brand—Heineken—accounts for about a third of the imported beer sold in the U.S. Molson, in second place, sells about half the beer that Heineken does, which provides some perspective on the amount of business being done by lesser competitors.

In order of ranking, from third to tenth, are Beck's, Moosehead, Labatts, St. Pauli Girl, Dos Equis, Corona, Guinness Stout and Tecate. (Of course, depending on who is doing the figuring, these rankings can change; often random distribution patterns across the U.S. can make strict rankings difficult.)

Top of the heap

At home, meanwhile, the undisputed champion of domestic brewers is Anheuser-Busch, Inc. (St. Louis, Mo.), which last year was the only U.S. beer company to achieve a significant increase in domestic market share, from 33.7 percent in 1983 to an even 36 percent in 1984, increasing its barrel sales by almost six percent.

According to a recent report in *The New York Times*, Anheuser-Busch executives no longer are willing to settle for their oft-stated goal of 40 percent of the domestic beer market; these days they express their confidence that they can reach a 50 percent market share, or more.

Market shares for the other major domestic brewers were on the decline. Miller Brewing Co. (Milwaukee, Wis.) was the sole company besides Anheuser-Busch to report any kind of increase, and that was minuscule—from a 20.9 percent market share in 1983 to 21.1 percent in 1984. Stroh Brewery Co. (Detroit, Mich.) lost market share, moving from 13.5 percent in 1983 to 13.4 percent in 1984, as did Heileman (9.8 percent to 9.4 percent), Coors (7.6 percent to 7.4 percent) and Pabst (7.1 percent to 6.5 percent).

Despite their declining market shares, competitors tend to view Anheuser-Busch's optimism about a 50 percent market share as a kind of posturing. Stroh's director of national retail sales, William J. Hayes, said, "At one point, the folks in Germany thought that the entire world would be driving Volkswagens, and General Motors thought everyone would be driving Chevrolets. Well, in the beer business, people are doing the same thing.

"But I think you reach a saturation point with certain products, a time when people think that it is time for a change. Of course, sometimes you have the Peter Pan syndrome—you think that if you clap your hands enough, something will happen." Anheuser-Busch's audacity has to be admired, though, Hayes said, because one can achieve greater heights when one sets greater goals. "But the one thing about this business is that it changes so fast."

Back at the front

Of course, what really matters is what is selling in the nation's beer cases. From the retailer perspective, two radically different experiences with domestic and imported beers—and with the burgeoning temperance movement—can be observed.

Daniel O'Malia, executive vice president of O'Malia's Food Markets (Indianapolis, Ind.), said that his chain's sales of export beer are approaching 10 percent of its total beer sales, but expressed little surprise. "It is always going to be higher than (four percent) in higher end stores," he said.

O'Malia said he was satisfied with his beer department's performance over the past year, noting that he has to contend with several handicaps under Indiana law—prohibition of sale of cold beer, no beer sales on Sunday and the banning of

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CANDY

Chocolate bar sales grew by 10 percent in 1984, with supermarkets seeing a substantial portion of that.

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Inc. (Naugatuck, Conn.) also has a new chocolate bar. Wispa, a textured, air-blown bar, has been aggressively promoted, even though it currently has distribution in less than half the country.

According to one retailer, "It's too early to tell whether all of the new bars will make it. It requires at least six to eight months for a new item to cut into the market. By October or November we'll see the shakeout."

The dominance of a longtime giant

While these and other new products have helped to sweeten sales totals, their attempts to shake up the candy sales hierarchy are not so successful. The confectionary top 10 sellers list continues to be dominated by longtime giant, Mars Inc. (McLean, Va.), with a strong fight from Hershey. Snickers by Mars is still America's favorite chocolate bar, and the company aggressively backs its product to see it remains that way.

Mars has been at the forefront of a campaign to change consumer attitudes toward candy. "Mars is responding to demographic changes in the country," says analyst Morrow.

Confectioners are not about to stand idly by, in an older, more health-conscious society, and have their products dismissed as "empty calories" and a dieter's nemesis. Mars has decided to take the offensive and, as part of its campaign to woo the adult snacker, is touting chocolate as a nutritious, between meals pick-me-up.

The company spent $5 million to have Snickers and M&M Chocolate Candies labelled as the "official snack foods of the 1984 Olympic Games." M&M Peanut and Plain Chocolate Candies are the second and fourth bestselling confectionary items in the country, behind Snickers and Hershey's Reese's Peanut Butter Cups. According to an industry analyst, the campaign has kept Snickers, and M&Ms, sales healthy, but it has helped Hershey too.

Although Mars has always been an aggressive advertiser, it has not been known for its product innovations. Twix Peanut Butter Cookie Bars, the company's only new bar in 1984, is a variation on the original Twix Caramel Cookie Bar introduced in 1977. The newest thing about Twix Caramel is its wrapper, which now boasts "Biggest Ever."

New looks for old favorites

As a matter of fact, repackaging has given a new face to a lot of old favorites this year. Nestle revamped much of its old line, starting with a new name for its $100,000 Bar. The 100 Grand Bar is basically the same bar, with a "richer," creamier caramel filling. The "New" Oh Henry!, Raisinets and Goobers, from Nestle, mainly have new wrappers that boast "Now With Nestle Milk Chocolate." The company also brought back the square-shaped Chunky in Original and Deluxe Nut, trial-priced at 25 cents.

Hershey made some slight changes in its packaging, highlighting the words on its Milk Chocolate bars in white and the words Chocolate with Almonds in beige.

If new names and new packaging weren't enough, the recipe for sales success called for more of a good thing. The industry-wide trend toward bigger sized bars continued to accelerate this year. Big may not exactly be better, but it does seem to be selling. Rose of Sloan's Supermarkets says, "The increase in size, with big bars being better value for money, has created a swing back to single bar sales."

Following the success of Hershey's Big Block Chocolate Bars, introduced in 1980, chocolate manufacturers appear convinced that the American consumer wants a bigger, thicker bar with more texture. Life Savers, Inc. (Parsippany, N.Y.), came out with Big Bar Baby Ruths and Butterfingers in 1984.

Hershey Milk, Almond, Krackel, Mr. Goodbar and Special Dark Big Blocks account for nearly 20 percent of total bar sales in SAMI's Large/Giant Bar Category. But the Snickers King Sized Bar and M&Ms Plain and Peanut King Size, all new this past year, are outselling Hershey's Big Blocks.

Hershey may have been bested in the battle of the big bars, but it scored a marketing coup when its familiar brown and silver chocolate bar label was licensed to local dairies for use on chocolate milk cartons. Brian Herrmann, communications coordinator for Hershey, says that the program, begun in spring 1983, now involves 70 dairies around the country.

Hershey provides them with a chocolate mix, which is added to the milk, and monitors the quality of chocolate milk bearing its wrapper through a toll-free line. The arrangement gives Hershey prominent advertising for their chocolate bars in dairy cases at most supermarkets around the country.

Quik chocolate milk powder, from Nestle, first appeared on grocery shelves 38 years ago. Now Nestle has moved the Quik logo into supermarket dairy cases. In a franchise arrangement similar to Hershey's, local dairies are using Nestle chocolate mix and the Quik logo to produce and package a chocolate milk.

Only the finest

Packaging is also an ingredient in the industry's campaign to project a new adult image for chocolate. "Along with the trend toward a bigger bar," says Ron Morrow, "there is one for a more distinctive, higher quality chocolate. Packaging is upgraded, upscale," to reflect that.

Jules Rose of Sloan's confirms that. "The new, premium bars, like Hershey's Golden Bars, are adult-oriented products. And there has been a major swing from a kid-oriented business to a definite increase in sales to adults." Manufacturers, according to Rose, are responding to the challenge presented by the new premium items, and are upgrading their products in turn. "Weaker items are either being dropped or repositioned."

In addition to bigger, better packaged bars, manufacturers hope to produce better quality. Quality is in. Or at least, as Morrow put it, "perceived quality" is in. Mon Cheri, a four-to-the-pack chocolate covered hazelnut candy imported from Europe by Ferrero USA (New York), is a fairly recent fine chocolate introduction. And it is changing the way consumers think about that category.

Robert Bildner, vice president, food services for Kings Super Markets, Inc. (West Caldwell, N.J.), concurs. "It's been a good year for the more upscale confectionary items, a very positive trend for the imported or pricier items." The sales of these items, says Bildner, have expanded the candy category overall, rather than taken away from other sales.

Most fine chocolates were previously sold primarily as gift items. In its "Treat Yourself Right" TV advertising campaign, Mon Cheri is presented as a chocolate for everyday eating, and the company is pushing to get its item in supermarkets, drug and convenience stores.

Gary Foote, director of marketing for Ferrero, says, "We positioned Mon Cheri as a superior milk chocolate with elegant packaging and made it readily available to as large a number of consumers as possible. American shoppers are becoming more quality-conscious. As a result, many of the large manufacturers are refining and expanding their adult quality brands."

Quality, rather than price, is the first concern of this new breed of adult candy consumers. And Hershey's premium Golden Almond and Golden Pecan bars sell for the premium price of $1.19 for a 2.2 ounce bar. The company also has on the market Solitaires, a "premium" chocolate covered candy, with a smoother blend of chocolate and whole rather than chopped nuts. Mars is also expected to introduce a competitive premium bar.

Mothers'—and dieters'—revenge

With research showing that 70 percent of all candy is bought on impulse, what better positioning for the product than at the checkout, where shoppers faced with a wait are at the mercy of their own whims? Mars was first to follow this line of reasoning, and in 1979 persuaded retailers to put candy displays near cash registers.

Mars is known for working aggressively for the best positioning of its candies at checkouts. Which makes it unlikely that the company was exactly overjoyed to hear of a new policy by the Kroger Co. in Cincinnati. At the request of mothers fed up with their children's demands for sweets at the checkout, Kroger began a candy-free policy in 125 stores. At these stores, according to Kroger spokesman James D. McIntire, one clearly marked checkout has replaced the candy racks with other traditional front-end hook items, such as batteries, lighters, razors and shaving items.

Mothers and dieters will welcome the candy-free option. But confectioners, particularly manufacturers of mints and hard rolls — traditionally good sellers at checkouts that have experienced rather flat sales this year— are hoping this is one trend that doesn't go over well with consumers. ■

—CAROLINE CRAIG

BEER

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beer sales by anyone under 18 years of age.

In the conservative Midwest, temperance remains a virtue, according to O'Malia, but there has been no backlash against the chain for its beer sales and promotions. One reason, he said, is that the chain has been careful to gauge community interests.

"In February of this year, we ran an ad aimed at alcohol abuse, and ran a seminar" designed to help people victimized by an overdependence on alcohol. "In 20 years of business, we've gotten only one complaint about alcohol sales, and that was from a lady who saw our ad and complained because we held the seminar and still sold wine and beer."

Hot pricing

Phoenix, Ariz.'s Smitty's Super Valu, Inc. has had the opposite experience with imported beer sales. "In our area, I think imported beer sales are only about one-and-a-half percent of the total," said Tim Howard, buyer-supervisor for liquor. "Basically, that's because of the hot domestic pricing in this market." While Michelob sells for $2.50-per-six pack in Phoenix, he said, Heineken sells for $4.99, and consumers rarely gravitate to the import under such conditions.

Howard said that sales of beer by his chain were kept strong through a policy that promotes regular and light beer of the same brand at the same time. If Budweiser is on sale, so is Bud Light; Howard said this follows a long-held tradition started by Coors. What perplexes Smitty's, Howard said, is the tendency of light beers to perform at a better rate under such promotional conditions.

"If we have Budweiser on sale, we put regular Bud and Bud Light on at the same time," he said. "During that sale, Bud Light will do about 40 percent of the total Budweiser beer business, while ordinarily it might do about 25 percent." This peculiar customer reaction holds true with other brands, he said. "There is brand loyalty, but there does not look like a lot of type loyalty, at least not when there are promotions," Howard said.

National light beer sales are pointed to by manufacturers when they discuss their state of affairs. With Miller Lite firmly entrenched in the top spot, Coors Light and Bud Light appear to be battling it out for the second position. "Both are hot, and it is hard to say who is in second place, they are both growing so fast," said industry observer Ben Steinman.

Patriotic pitch

Miller's Charles A. Whipple, vice president for national retail sales, said that Miller Lite's performance continues to be the cornerstone of that company's strategy. "After all, it's only been on the market for 10 years, and it alone outsells all the wine in this country put together."

Whipple said, however, that his company has rising optimism regarding the performance of Miller High Life, the flagship brand that has been having a difficult time of late. Bolstered by a new advertising campaign designed to associate patriotic fervor with Miller beer— "Miller's made the American way, born and brewed in the USA" is the theme—the product has received "as much price promoting as Budweiser," Whipple said. "Since we launched the new campaign, we've been very much encouraged. There seem to be pockets where we are turning things around."

Jeff Wehling, a spokesman for Anheuser-Busch, said that Bud Light's strength—which he said was consistent with the overall 16 percent growth of the light beer segment—in the marketplace has been a prime source of growth for the company, but that the company's "rock," regular Budweiser, has

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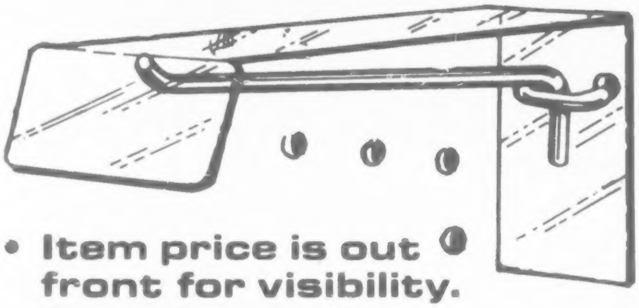

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CANNED GOODS

Canned soups continue to remain stagnant, or even decline in some areas, largely due to inactivity on the part of manufacturers.

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has, again, seen little movement except possibly in the light, or natural-packed products. "A lot of people are conscious of sugar content," she noted.

In the last two years, Cullum has added no-salt vegetables to its canned foods departments, but sales have been only mediocre, according to Mathews. "It's the kind of thing you have to carry because it's available," she said, echoing the opinion of many grocery buyers.

Canned vegetable sales for Stop & Shop stores (North Quincy, Mass.), have been flat or declining, according to Richard Ponte, vice president for grocery procurement and sales. "The biggest reason is the switch to fresh produce that occurred about three years ago," he said.

Fruits, too, remain a problem. "The problem here is sugar. Pineapple in heavy syrup has practically non-existent sales, for example." While pineapple (without syrup) and apple sauce sales have remained firm, peaches, apricots and pears have declined, according to Ponte.

One major problem for Stop & Shop, and for other supermarket chains across the country, has been the tightness of crops in the last few years. "The last couple of years, growing conditions have been bad and retailers have had to cut back on promotions due to lack of product. Peas, corn, cut green beans—the three biggies—have all suffered on and off, and tomatoes have had the same problem," said Ponte.

Quantity availability, and product in all sizes also has been a problem in canned fruits. "We just haven't been able to promote heavily as we have in the past," Ponte added.

A glimmer of light

The bright light, or at least the glimmering light, in canned fruits and vegetables remains the no-salt or no-sugar products. "We were among the first companies to develop a line of no-salt products under our own label. We're very happy with it and see continued growth in this area," said Stop & Shop's Ponte.

The company accompanied its introduction of the line with a major consumer education campaign that appealed to all shoppers, rather than only those with diet restrictions.

Positioning of the no-salt items in Stop & Shop's 117 stores was also carefully thought out. "We placed them next to their counterparts that were not no-salt and priced them a lot closer than products previously carried in the dietetic department," Ponte said, noting that the price differential now is only two to three cents per item.

Another innovation that has had some impact in canned vegetables, according to Ponte, is new packaging. The "Verigreen" can, developed by Continental Can, which significantly improves color and freshness of green vegetables, has been particularly successful with peas. Stop & Shop has plans to introduce its own label of green beans, probably spinach and a few other vegetables using this method of packaging.

The bright spot for canned fruits is packing in natural

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juices rather than sugar, where sales have shown modest increases.

Canned meats, with the exception of tuna fish, are a small volume category and supermarket buyers say sales here, too, are flat. Tuna remains an area of potential profit, largely through heavy promotions and discounts. Healthy sales despite low prices have resulted in good profitability, buyers say.

Canned soups at a low simmer

Canned soups continue to remain stagnant, or even decline in some areas, largely due to the inactivity on the part of manufacturers. With few new products introduced and Campbell controlling a lion's share of the market, there has been little stimulation for consumers. That may be changing, however. Many buyers feel that Progresso may be about to give Campbell a run for its money, and others look to increased competition in dry soup mixes to stimulate overall sales of canned soups as well.

Ironically, Campbell, the leader in canned soups, is the company threatening to challenge Lipton for the dry market as well. Campbell Quality Soup and Recipe Mixes will be marketed nationwide this fall, according to James H. Moran, a company spokesman.

"We look for this to be an area of explosive growth," he said. Meanwhile, the company is not resting on its laurels in the canned area either. Campbell is about to go national with a line of Creamy Natural Soups, including potato, cauliflower, spinach, broccoli and asparagus. The line has been successfully tested in the West, according to Moran.

Campbell has also expanded its Chunky line, adding New England Chowder, Fisherman's Chowder and three Chunky International soups—Imperial Wonton, Tortilla and Beef Ravioli Romano. In addition, the company has made a further attempt to attract the new life-style shopper with a line of Homestyle soups that have increased garnishes and a homemade taste. Sales of the tomato and vegetable Homestyle soups have been solid, according to Moran. "We think homemade is the hot button today," he said.

Campbell is also test marketing a line of cold soups, including tangy tomato, beet, gazpacho and vichyssoise.

Making a mature product young

Sensitive to flat sales in its canned Franco-American line, Campbell is looking for improvement in that area as well. It has already introduced an adult Ravioli Superiore and other changes will be forthcoming. "We are looking to take a mature product and make it young again," said Moran, speaking of the company's line of pasta products.

Pillsbury's Green Giant subsidiary is also eager to improve sales and will do so, it hopes, with a return to television advertising in the near future, a company representative said. In addition to a new look for all its products, Green Giant will engage in a variety of trade promotions using the famous "Sprout" figures as well.

Recent developments at Green Giant include the development of pallet-ready delivery, which should make life easier for supermarket display. The company also reports some growth in sales of certain canned vegetables, notably the "unusual" ones. Mushrooms and asparagus have been doing very well, probably due to the trends towards upscale buying, according to the company representative.

A number of buyers single out Del Monte for its efforts to promote canned products. "Del Monte does a lot of consumer advertising and they provide ad money and allowances to help us stimulate sales," said Mathews of Cullum Companies. In fact, Del Monte spent $10 million in a consumer education program televised nationally on the theme of canned vegetables "as nutritious as fresh-cooked."

The company is the clear leader in market share for the $3 billion processed fruit and vegetable industry, but admits that since 1980 market volume has been flat or declining. ■

—BOB MILLER

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Hormel

BEER

Continued from page 215

managed to maintain growth in the three to four percent range.

"The silver bullet is taking off," Coors spokesman Don Shook said about the growth of that company's light offering. Shook may have good reason for exuberance. After the downward trend of last year's sales, which occurred despite Coors' expansion into new marketing territories (Coors is still not sold in six states, and is not likely to be sold in them until the end of the decade), the first half of 1985 reportedly shows that Coors' market share is approaching eight percent, up almost a point.

Noteworthy advertising

Shook attributed the new growth to the acclaimed advertising campaign initiated by the company, a campaign which features "straight talk about beer" by actor Mark Harmon (of the TV series *St. Elsewhere*), and the company's willingness to appeal to a broad spectrum of consumers.

Notorious in recent years because of its shaky relationships with blacks and other minorities, Coors recently has gone out of its way to embellish its community image; at the same time, its new products—including Coors Extra Gold—position the company in such a way that it can easily shift directions if prevailing consumer attitudes change. In addition, with its affixing of "Drink Safely" logos on all its packaging, Coors' anti-drunk driving stance keeps it out in front of the temperance movement.

The fourth best-selling light beer in the U.S. is Michelob Light, also by Anheuser-Busch. Company spokesman Randy Myers said that despite rumors that Anheuser-Busch is displeased with the product's recent sales and those of its sister brand, Michelob, it doesn't plan to change direction. "I can't discuss sales, but it would be inaccurate to say that we are unhappy."

While light beer is considered a particularly American institution, the market is not populated solely by American breweries. In addition to Amstel Light, two new light products were rolled out by importers during the past year: Molson Light and, from the makers of Beck's, Roland Light. Only the former, however, survived.

Limited basis

Walter Driscoll, president of Dribeck Importers (Greenwich, Conn.), which brings Beck's to U.S. consumers, said that Roland Light was brought to this country on a limited basis in October 1984, and withdrawn just a month later. The fast about-face, he said, was caused by a lawsuit over the rights to the Roland name, and the case remains unsettled.

Molson, on the other hand, seems delighted with the performance of its new light beer. Not that it is exactly new; Peter J. Fearon, president of Martlett Importing Co., Inc. (Great Neck, N.Y.), said that Molson Light is the top light beer in Canada. Currently, it is in the Northeast U.S., between Maine and Washington, D.C., and in certain sections of Florida, with plans for a gradual rollout across the rest of the country.

Fearon said, however, that it is unlikely that Molson Light will ever truly be a "national" brand, as there are still four or five states (Iowa and Alabama, for instance) where even Molson Golden is still unavailable.

The same strategy of selective expansion used for Molson's other products will be used for Brador, its malt liquor, Fearon said, with an emphasis on metropolitan areas with large black communities.

Back to basics

While most breweries are looking for new gimmicks and line extensions to broaden their consumer appeal, a few independent brewers remain who are looking to attract a small, elite customer base, and finding their way into supermarkets on a limited basis. ■

—KEVIN COUPE

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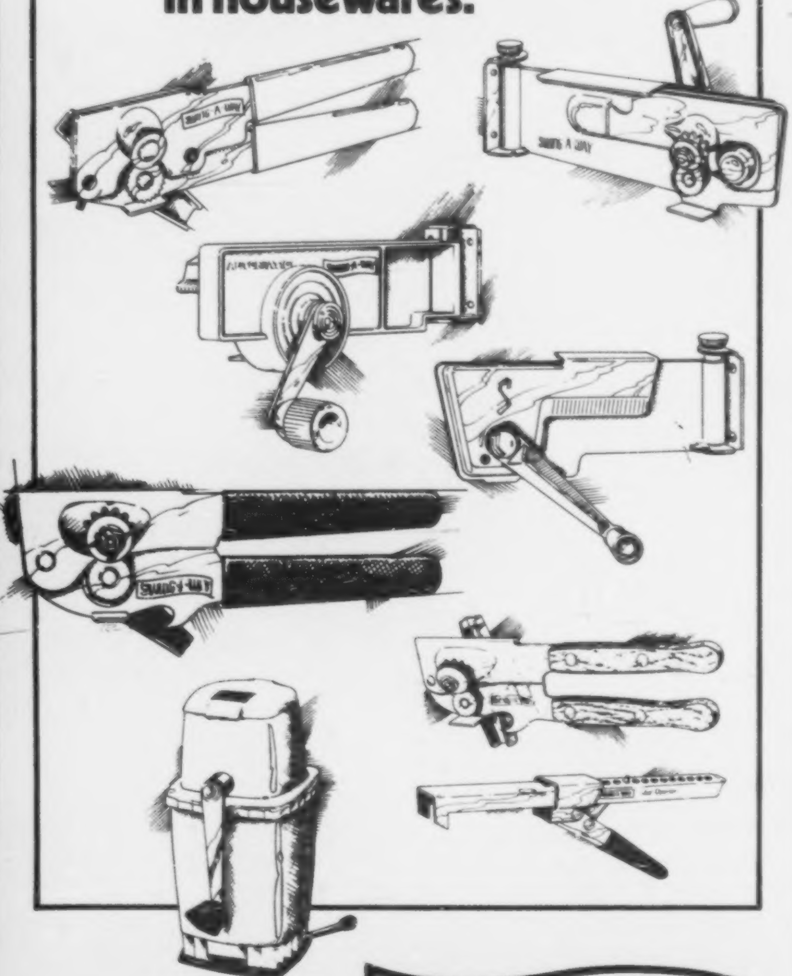

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DRIED FRUIT

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flavors—strawberry, cherry, apple and apricot—Fruit Roll-Ups added a fifth flavor (orange) in early 1984 and will bring out a sixth, raspberry, this month.

And, in its Fruit Bars line, the original four flavors instituted in early 1985 (strawberry, cherry, grape and orange-pineapple) will be joined by yet another (tropical fruit) this month. Kim Dickey, a spokesman for General Mills, said that these products are targeted directly at children, and that her company sees "dried fruit (as) relatively limiting, while as snacks, it is less so."

Covering the spectrum

Lipton, using the Sunkist trademark, has begun to introduce Sunkist Fun Fruits, bite-sized dried fruit-based pieces designed for children. It is, according to a company source, a natural development, one that likely will be repeated many times by many companies.

"One of the things everybody in the category is trying to do is cover as much of the demographic spectrum as possible while appealing to specific demographic categories with specific products. Look at granola bars. They started with dry, hard bars that were for adults, and then shifted into sweeter bars and chocolate-covered bars that could appeal to the whole spectrum. It's a whole different market out there."

And it could get a lot more different. Several manufacturers indicated that, as always, their research and development efforts are continuing, with a current goal being to bring the excitement of children's dried fruit to adult selections. And while, for example, a prune-flavored Fun Fruit packet is not yet available to stores, the suggestion was that such a product may be available in the not-too-distant future. ■

—KEVIN COUPE

Some supermarket operators are optimistic about nonfood pet products.

PET NEEDS

Continued from page 175

Lives and Carnation have come out with products that are very popular. The incremental sales of these products also have not been cutting into existing sales of other cat foods," he said.

There is also a trend towards buying the premium canned dog foods, and while the issue of dry versus moist seems fairly stable in Stop & Shop stores, the semi-moist cat foods have suffered.

Contrary to other parts of the country, cat treats, at least Bonkers, have "not been a bad mover," according to Ponte, although he does not see much potential for growth in the cat treat area. The growth area in treats in the Northeast has been for dogs. "We've seen growth in items for dogs; they're doing extremely well," Ponte observed.

Some supermarket buyers are optimistic about nonfood pet products. ShopRite (Elizabeth, N.J.), with 190 stores in New Jersey, Connecticut, New York, Pennsylvania, Delaware and Massachusetts, is a major distributor for Hartz Mountain products, for example, and ShopRite representatives are enthusiastic about pet supplies as a growth category. The chain plans to devote additional resources to boost sales.

"What we're trying to do is improve fixturing and generate additional advertising for our Hartz products," a company spokesman said.

Despite the lack of any clear buying trends in pet products, manufacturers seem comfortable with sales and many remain intent on turning out new products. Third quarter earnings for Ralston Purina show substantially increased sales. In releasing the information, the company noted that its pet foods division realized improved profit margins on the basis of slightly higher sales volumes and higher sales prices.

Purina has been pleased with the performance of Happy Cat, according to a company spokesman.

Among its new products, Purina is introducing a premium cat food called Catviar, to compete with 9 Lives Amore and Carnation's Fancy Feast lines, and has introduced regionally a line of gourmet cat dinners, including a salmon and egg flavor.

Purina is also extending its line of Tender Vittles and has developed a new packaging called Pick-a-pouch, that is designed to make traveling and choice of individual serving more convenient for cat owners.

Lowe's, the makers of Kitty Litter and Tidy Cat, has had another record year, according to Tom Ramey, vice president of marketing for the South Bend, Ind.-based company. "Clorox carved out a 14 percent share of the market last year with its Fresh Step, but that has not affected our market share," Ramey said. It's the un-advertised or private label products that have suffered from the competition between Lowe and Clorox, according to Ramey.

While Tidy Cat appears to be the best seller of Lowe's products in much of the country, the company has been pleased with Kitty Litter as well. "Our brands have not lost their market share," Ramey noted. ■

—BOB MILLER

DIET FOODS

Continued from page 143

"After all, the '80s are kind of a health decade."

The change in approach surrounding diet foods can be seen perhaps most dramatically in the frozen entree and dinner category, where Stouffer's Lean Cuisine has risen quickly to the top of light offerings in this segment of the business. In just four years, Lean Cuisine, by some estimates, has captured as much as 20 percent of the entire frozen entree and dinner market, and is almost equal to the share held by Stouffer's regular frozen food offerings. For Lean Cuisine, light food has developed into a $400 million business.

According to one industry observer, Lean Cuisine was able to eclipse Weight Watchers because the latter organization is seen as having a specific franchise: helping fat people lose weight. While Weight Watchers occupies the number two position in the light frozen dinner field, and commands significant brand loyalty, it remains saddled with the stigma of being a product of denial rather than indulgence.

Albert Lippert, chairman of the board of Weight Watchers—as well as a member of the board of directors of H.J. Heinz, which owns the diet organization—agreed with the reality of this stigma, but said that it is not as serious as it used to be. "Now, I think we are thought of as a good, nutritious meal."

Nevertheless, Lippert said, Weight Watchers is responding to the Lean Cuisine challenge by improving the quality of some of its offerings, reformulating others, and developing new products stressing taste rather than diet.

"I really see (Lean Cuisine) as a blessing in disguise," Lippert said. "They really shook us up. You can become complacent, you know. Sometimes it is helpful to have someone come in and let you know that there is a lot more to be done with a product and in a category." Lippert said he has no regrets about Lean Cuisine's fast-paced success. "It helps to develop an entire industry," he said.

If competition is good for the industry, then the diet frozen entree field is headed for a healthy spell—ConAgra Frozen Food Company, owner of both Banquet Foods Corp. and Armour Food Co., is weighing in with two different product lines: Armour's Lite & Elegant entrees and ConAgra's Classic Lite dinners. (The Banquet name is not used on the diet products, according to Susan K. Hanley, a spokesman for ConAgra, because it is perceived as having blue-collar appeal, and light products are aimed at upscale, white-collar consumers.)

"It's real food," Hanley said. "People have the connotation that when you are on a diet there is never enough to eat and there is no flavor." While little can be done about the portions, Hanley said, flavor can be enhanced dramatically.

In coming months, Hanley added, ConAgra will attempt to give Weight Watchers a run for its money by developing promotions that will appeal to those who belong to the mother organization, and by keeping its prices below those of Weight Watchers. In addition, Armour currently is marketing yet another diet food—low sodium bacon. ■

—KEVIN COUPE

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from leaving the tax at 16 cents to increasing it to 40 cents.

"Even if the tax actually sunsets I wouldn't expect much of an effect on prices. A number of states have already passed laws to pick up the eight cents if they get the opportunity."

Either way, John C. Maxwell doesn't expect much of an effect on sales. "This is a category that doesn't appear to have much elasticity of demand. The only exception was the year when the big excise tax rise was put in place and consumption fell 4.5 percent."

Overall, total federal, state and municipal taxes for the fiscal year ending June 30, 1984 came to $9.27 billion.

October promises still more federal fallout for the cigarette business. Starting Oct. 13, all cigarette packages will be required to bear one of four separate warnings of the health risks incurred due to smoking. The labels, which will be rotated on a quarterly basis, will be substantially larger and bolder in print than the present one and will contain more specific messages.

"The problem," says the Tobacco Institute's Byrn, "is a logistical one, stopping production, reprinting, repackaging. The companies went to the FTC and suggested introducing new labels simultaneously— all four at the same time instead of each for only three months. The FTC said there was nothing wrong with the idea but had no authority to change the law."

Invigorated by their success with the label laws, anti-smoking forces continue to lay siege to the industry with proposals for new anti-smoking laws. Laws passed by states last year ranged from minor (covering state-licensed day-care centers in Arkansas) to major (covering four different areas, including food stores, in New Jersey).

For their part, cigarette companies continue to rely heavily on advertising to extol the virtues of particular brands. According to FTC, cigarette advertising rose nearly 25 percent in 1982 to $1.9 billion and an additional 36 percent in 1983 to a record $2.7 billion.

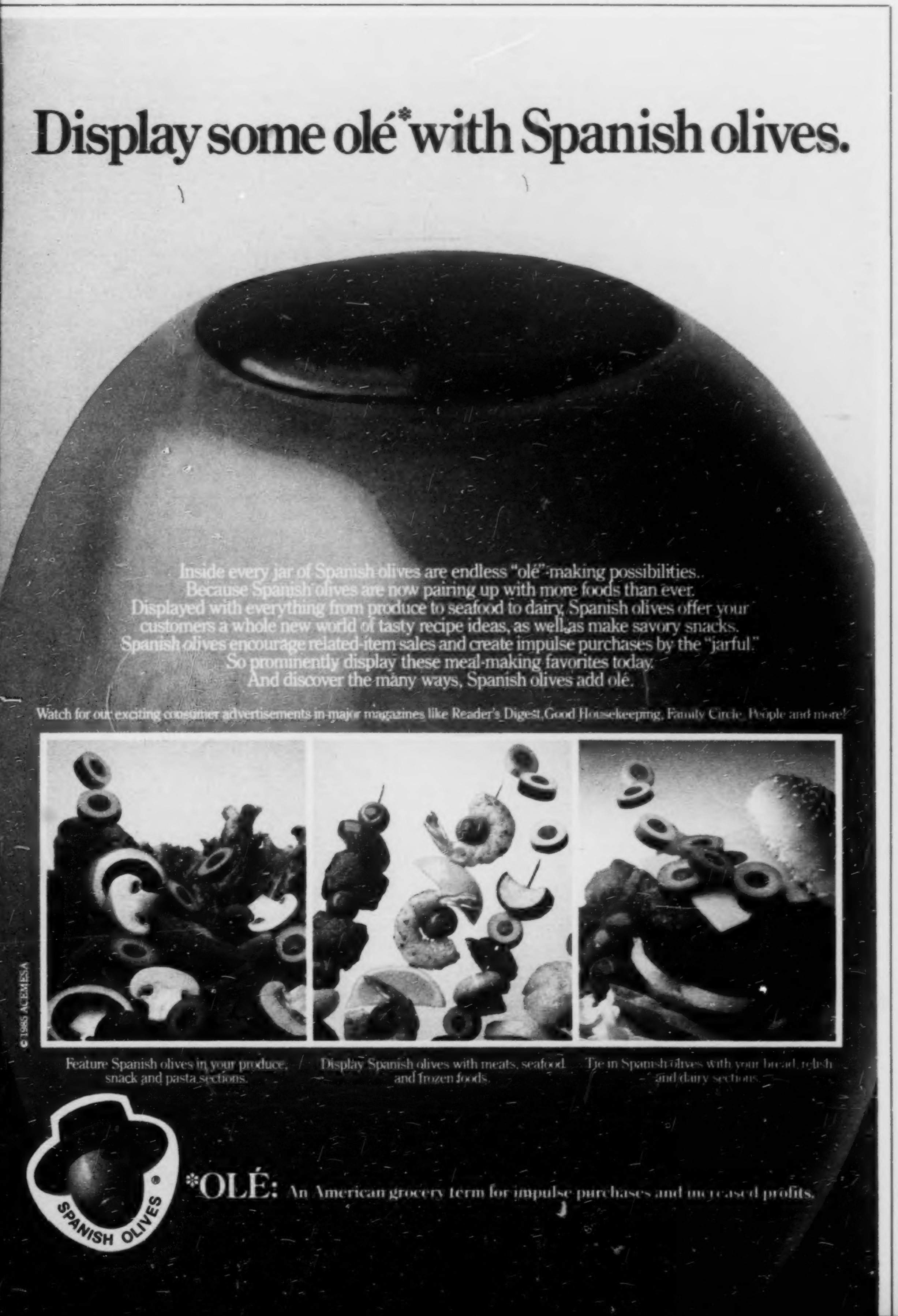
FTC took a dour attitude toward the tone of much of that advertising, scolding cigarette marketers for "increasing emphasis on linking a particular brand with health, wealth, luxury and achievement."

With no shortage of adversaries, the companies are now preparing to do battle in court in a series of suits seeking punitive damages for allegedly causing sickness and death from cancer, heart disease and chronic obstructive lung diseases. In addition to the cigarette companies themselves, charges have also been brought against the Tobacco Institute, distributors, advertising agencies and even supermarkets.

Operating in a mature industry with declining sales, beset by attacks by governmental and other outsiders, the cigarette makers might well be expected to circle the wagons and settle for business as usual.

Far from it. They have opted rather to experiment with bold new pricing and packaging and positioning concepts at a rate that decisively overshadows most other sections of the supermarket. ■

—BOB DIETRICH



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Inside every jar of Spanish olives are endless "olé"-making possibilities.. Because Spanish olives are now pairing up with more foods than ever. Displayed with everything from produce to seafood to dairy, Spanish olives offer your customers a whole new world of tasty recipe ideas, as well as make savory snacks. Spanish olives encourage related-item sales and create impulse purchases by the "jarful." So prominently display these meal-making favorites today. And discover the many ways, Spanish olives add olé.

Watch for our exciting consumer advertisements in major magazines like Reader's Digest, Good Housekeeping, Family Circle, People and more!

Feature Spanish olives in your produce, snack and pasta sections.

Display Spanish olives with meats, seafood and frozen foods.

Tie in Spanish olives with your bread, relish and dairy sections.

SPANISH OLIVES®

*OLÉ: An American grocery term for impulse purchases and increased profits.

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CONSUMER EXPENDITURES STUDY

Continued from page 69

percent for GM and 26 percent for HBA, this is welcome news for the nation's supermarkets. In general merchandise this proved out even though the recent glamour category of auto supplies fell 6.2 percent.

Big gainers in HBA

The big gainers in HBA were in diet products, infant formula, cold medications, internal analgesics and eye care. Men's colognes and after-shave products continue to increase at much better than average rates. Although shaving products appear to be flat, the amount spent in grocery stores is almost half of the total, and sales of disposable razors outperforms an otherwise flat category.

Phonograph records, tapes and photo film outperformed the category, as well.

While the household, paper, pet and tobacco products categories represent tremendous volume, $34.7 billion, not too many spectacular performers come to mind. Liquid soap continues to be an exception, as well as semi-moist cat food and cat litter. Pre-moistened wipes are rapidly approaching the $100 million mark in grocery store sales.

These are merely some of the high spots in the Annual Consumer Expenditures Study. The "Focus" features that follow on 20 specific categories report in much greater detail how the more than 600 product categories performed in 1984.

Actual dollar sales

Reporting in such detail on what is clearly the nation's most complex industry, and one of its largest, is an awesome challenge to the research department and editorial staff of SUPERMARKET BUSINESS. Each year, new features are added, new product categories reported, new forms of analysis provided.

In this way, SUPERMARKET BUSINESS endeavors to offer benchmarks, points of comparison and flashes of insight into the most challenging of industries, and one that is, today, changing faster than any single, comprehensive study can provide. The Consumer Expenditures Study is a retailing and marketing yardstick, as well as a report card on how the industry fared and, wherever possible, why it did so. ■

CALENDAR

SEPTEMBER

20-25 Foodtech China '85, Fuzhou Exhibition Centre, Fujian, People's Republic of China. Contact: International Marketing Services Ltd., 1719 South Clinton St., Chicago, Ill. 60616.

27-October 3 GMDC, 15th Anniversary General Merchandise Marketing Conference, Marriott Marco Beach Hotel, Marco Island, Fla. Contact: GMDC, 1275 Lake Plaza Dr., Colorado Springs, Colo. 80906.

OCTOBER

6-8 New York Gourmet Food & Wine Show, N.Y. Coliseum. Contact: George Little Management, Inc., 2 Park Ave., Ste. 110, New York, N.Y. 10016.

13-16 NAWGA, Productivity/Computer Conference, Dallas Convention Center. Contact: NAWGA at the address given above.

19-22 AMI Exposition, McCormick Place, Chicago. Contact: AMI, 1700 N. Moore St., Ste. 1600, Arlington, Va. 22209.

19-23 PMA Convention & Exposition, Moscone Center, San Francisco. Contact: PMA, 700 Barksdale Plaza, Newark, Del. 19711.

20-22 FMI Fall Conference, Marriott Hotel, Washington, D.C. Contact: FMI, 1750 K St., N.W., Washington, D.C.

22-23 Eastern Dairy-Deli Assoc. Taste Show, New York City Passenger Ship Terminal Pier. Contact: EDDA, P.O. Box 156, Great Neck, N.Y. 11021.

25-28 Natural Foods Expo '85 East, Washington Convention Center, Washington, D.C. Contact: Natural Foods Merchandiser, 328 South Main St., New Hope, Pa. 18938.

26-29 Mid-Atlantic Food Dealers Assoc., Annual Convention, Convention Hall, Ocean City, Md. Contact: MAFDA, 14 Commerce St., Dundalk Center, Baltimore, Md. 21222.

27-30 AFFI/NFFA, National Frozen Food Convention & Exposition, Hilton Hotel, Atlanta. Contact: NFFA, P.O. Box 398, Hershey, Pa. 17033.

EDITOR'S VIEW

Continued from page 7

baking needs are flat. Candy and chewing gum are up 8.6 percent, while diet soft drinks are being guzzled at a 6.7 percent rate of increase.

Keep on snacking

Snacks are up 8.1 percent with corn chips leading the pack at a 9.5 percent increase. Sugar, as we know, is down, while artificial sweeteners are up 21.2 percent (which may be causing these folks to eat more). Oh, yes, iced tea mixes (which are usually sweetened) are up 15.4 percent.

Everyone knows about the success of Lean Cuisine, and other low calorie frozen entrees, but do they know that frozen french fries are up 8.5 percent? Likewise, frozen french toast and pancakes are up 24.5 percent. Do they know what goes on french toast and pancakes? Maple syrup, that's what. And that's sugar.

Look at the dairy case, where the virtuous are all eating their cottage cheese at a +5.4 percent rate and their yogurt at a +10.8 percent rate. Butter is down, fresh milk is flat, but refrigerated toppings are up 9.1 percent. Refrigerated fruit drinks (which contain natural and often added sugar and sweeteners) are up 13.5 percent.

But these are my favorite categories for you overweight, hypocritical phonies. Red meat is down, we all know, but barbecue sauce is up 7.9 percent. Other condiment sauces, up 9.4 percent. You're eating poultry and fish all right, but drowning it in barbecue sauce (don't forget the sugar). Pasta is up only slightly, you joggers and body builders, but spaghetti sauce is up 11.9 percent (with meat more than without). You must be eating it on bread (varietal bread of course).

An oily problem

And my all-time favorite example: Everybody knows that lard and shortenings are made from fat—nasty, animal-saturated fats, and these are down in sales. But vegetable oils, (cooking and salad oil) are up 8.3 percent and olive oil is up 8.8 percent. Another virtue exposed. They're eating their salads drenched in salad oil, olive oil and spoonable and pourable salad dressings, and mayonnaise, which are all up over eight percent.

Read what the *Newsweek* article has to say about fat. Overweight and non-overweight people, in a test, were given varying combinations of sugar and fat, contained in whipped cream. The obese preferred a combination of 34.4 percent fat and four percent sugar. The normal-weight group preferred a combination of 7.7 percent fat and 20.7 percent sugar.

The Atlantic article states: "Research suggests that controlling weight has far more to do with curtailing fat than with curtailing sugar, and that obese people are more likely to have a 'fat tooth' than a sweet one."

And more, "...many foods that people identify as sweet, such as ice cream, chocolate pie and doughnuts, are actually high fat foods, flavored with sugar."

So, as I ease onto my hammock and reach for my scotch, I recall that at my last checkup my cholesterol level would compare favorably with that of any of you five-mile-a-day runner's. Now, if only my liver holds out... ■

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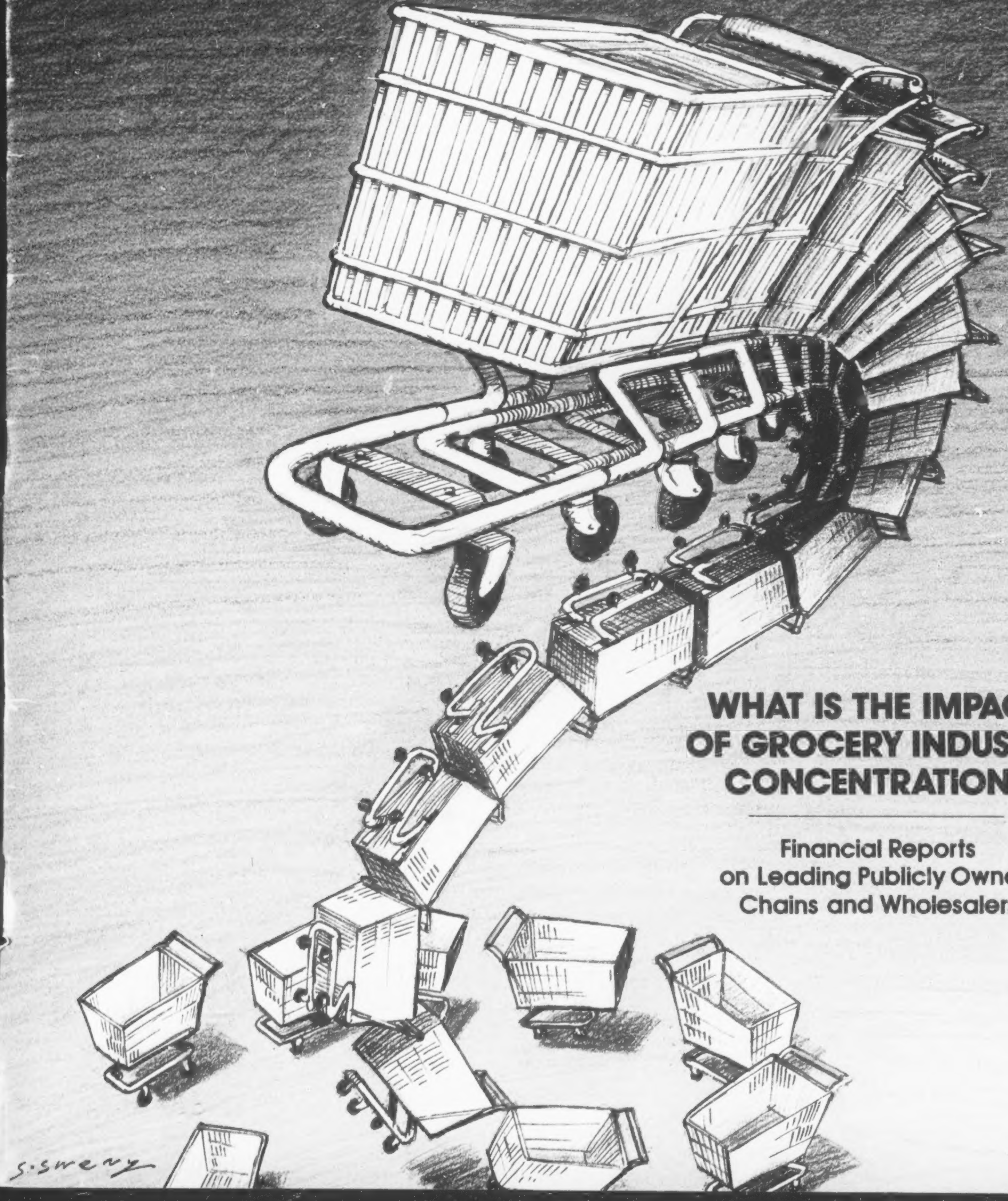

WHAT IS THE IMPACT OF GROCERY INDUSTRY CONCENTRATION?

Financial Reports
on Leading Publicly Owned
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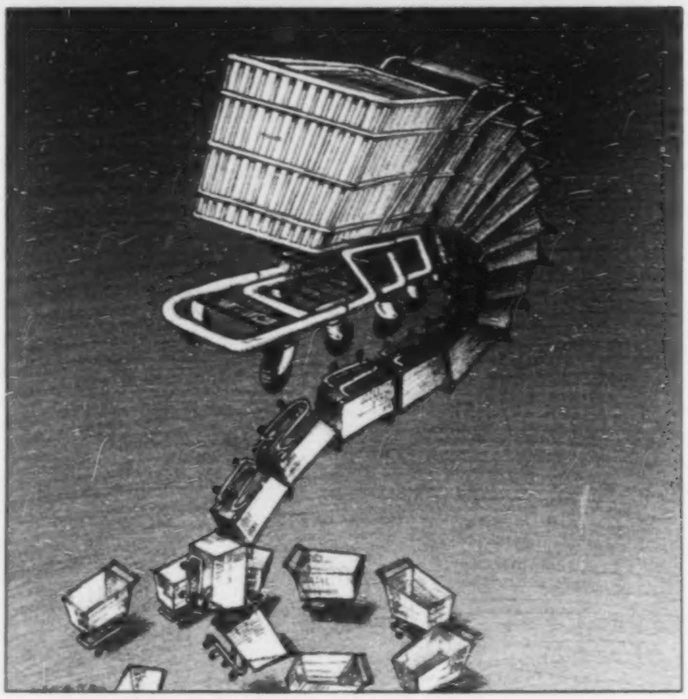

HOW IS CONCENTRATION AFFECTING THE GROCERY INDUSTRY? 19
KEN PARTCH, EDITOR

No one can say for sure: there's no consensus. But a powerful nationwide chain still has to operate on a regional basis.

TOP PUBLIC CHAINS/NORM BUSSEL, DIRECTOR OF RESEARCH **20**

The concentration of the grocery industry has had an effect here: we could find only 44 public owned chains among our usual 50 that operate primarily in the grocery business.

A LOOK AT SUPERMARKET STOCK PERFORMANCE 30

This new feature, compiled by Boulder, Colo.-based Nordby International, presents the latest trends on chain and wholesaler stocks.

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LEADING WHOLESALERS 32

Here, we look at the financial performance of the biggest.

AN INTERVIEW WITH DEL MONTE'S FERNANDO GUMUCIO 35

In a wide-ranging interview, Editor and Publication Director Ken Partch talks with the president of the new Del Monte USA operating group. The topics range from the use of promotion money, to the surge in mergers to the proliferation of brands.

NONFOODS BUSINESS: ADS THAT MOVE GENERAL MERCHANDISE 41

A nonfoods ad does not have to be dull. Here, we look at some award-winning ads that convey a fresh approach to a category that more and more retailers are beginning to promote.

CHECKOUT: A NEW FLAVOR TWIST—BULK SOFT DRINKS 60
KEVIN COUPE, ASSOCIATE EDITOR

A few retailers are trying this new system of dispensing soft drinks at low prices, and with bottles that require a one-time-only deposit.

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TOP PUBLIC CHAINS

BY NORMAN BUSSEL

Top public chains rebound in sales and net income

For most of the leading grocery chains, it was a great comeback year all around. Average sales improved 13.1 percent over 1983, while net earnings increased 39.7 percent from a dismal 4.6 percent decrease the year before.

Recovering from a year of lukewarm growth and negative profits, the top public chains as a group averaged a 13.1 percent sales increase, compared with a weak 5.3 percent gain for all grocery stores in 1984.

Total sales for the leading chains group were $123.9 billion, up from $109.5 billion in 1983, while net earnings soared 39.7 percent from a minus 4.6 percent.

Heading the list in percentage sales gains were **Circle K** (+ 63.5 percent), **American Stores** (+ 51.8 percent), **Southland** (+ 37.5 percent), **Harris-Teeter** (+ 34.9 percent) and **Food Lion** (+ 25.3 percent).

Companies with declining sales included **Grand Union** (− 26.4 percent), **Pantry Pride** (− 18.2 percent), **Arden Group** (− 6.3 percent), **Mayfair Markets** (− 5.1 percent) and **Cullum Co.** (− 4.6 percent).

Weis again leads in earnings; American Stores tops in sales gain

When you look at net income, as a percent of sales, nobody even comes close to the earnings record of **Weis Markets**. While average profit margin for the 44 chains in this survey was 1.3 percent, Weis Markets' net income for 1984 was a hefty 5.77 percent on sales of $957.8 million, a 9 percent increase.

Year after year, Weis has been the leader in profitability among the nation's top food chains, through an ongoing program of cost savings and a highly productive workforce. The company successfully markets a private label line of about 1,500 products, many of which are produced by the firm's own ice cream, meat processing, cheese packaging and milk processing plants. Weis also trims its distribution costs by shipping via its own fleet of tractor-trailor trucks.

A&P showed a strong growth in the earnings column with a solid + 3.67 percent net income vs. a + 0.9 percent in 1983. Sales climbed to $5.88 billion, up from $5.22 billion the year before, a 12.6 percent gain. A&P's sales and earnings benefitted from its new store formats and new perishables departments, featuring fresh fish, bakeries and expanded delis. The company's net earning were also helped by a rise in interest income from the pension plan surplus.

With a sales increase of $4.1 billion, **American Stores** posted the largest single sales gain of any chain and ended the fiscal year with record revenues of $12.118 billion. It also jumped from fifth to third place in sales rank for the group. A large part of the firm's sales growth came with the acquisition of Jewel Companies in 1984. Last year Jewel ranked seventh among the leading chains.

Southland, barely nudged out of third place in sales rank by American Stores, was the second greatest sales gainer, with revenues of $12.105 billion, an increase of $3.3 billion. Much of Southland's sales spurt was due to the inclusion of Citgo Petroleum Corp.'s sales for the full year.

Safeway held onto first place in sales with revenues of $19.6 billion, an increase of $1.057 billion, while **Kroger** remained second at $15.9 billion, a gain of $687 million.

Sales and profits: a mixed bag

Collectively, the top chains enjoyed an earnings increase of 39.7 percent, however, one-third of the companies still slipped in profits — some for the second straight year.

While **Shopwell's** sales grew by 8.8 percent, it reported a net loss of $1.5 million as a result of the start-up and subsequent termination of One Stop, a cash-and-carry wholesale business designed to serve institutional customers and small grocery stores.

Pantry Pride ended the 1984 fiscal year with a $171.2 million decline in sales (− 18.2 percent) and net income slipped by $3.6 million (-26.7 percent). Much of the company's financial change stemmed from the closing of 56 unprofitable Pantry Pride units in Florida as it continued to battle for market share in this highly competitive environment.

Waldbaum's also experienced a second year of diminished net income (− 6.5 percent), although sales grew by $125 million (+ 7.9 percent). Among factors cited in the income slide were: a higher pretax LIFO charge, a $0.4 million pretax loss on store closings, and higher interest costs associated with the openings of two new stores.

Some shifts in top 10

American Stores increased its sales by 51.8 percent with its acquisition of Jewel Companies, whose 1983 revenues were $5.7 billion, and moved from fifth to third place in sales rank. American operates 1,486 retail stores in 40 states. There are 957 food units, 211 of which are combination stores, and 529 drug stores. During the fiscal year ended February 1985, the company sold 33 Alpha Beta food stores in Arizona, 11 Sav-on drug stores in Houston, the Rea and Derick drug chain, and 22 Alpha Beta stores in California. Future plans call for the creation of a coast-to-coast drug chain operating under the Osco Drug Co. name.

Safeway maintained a solid grip on first place with a $1.057 billion gain in sales (+ 5.7 percent), but a scant + 0.9 percent growth in net income. Management claims that intense competitive activity in several Canadian markets has severely affected operating results in that division. Other factors, which the company says reduced pretax earnings by $29.3 million, were the application of LIFO and the continuing strength of the U.S. dollar and its impact on exchange rates.

Bouncing back from disappointing results the year before, **The Kroger Co.**, the second ranking public chain, recorded sales of $15.9 billion (+ 4.5 percent) and earnings of $156.6 million (+ 23.3 percent) in 1984. The company's improved performance was aided by more favorable operating conditions as price-driven competition subsided in many of its important markets.

Earnings also benefitted from Kroger's success in trimming operating expenses by negotiating significant labor contract modifications. During 1984 Kroger purchased 86 Tom Thumb food stores in western Florida and southern Alabama. The company's SupeRx drug chain will be strengthened in the Midwest by the recent acquisition of Hook Drugs.

Southland had another banner year in 1984, with revenues up 37.5 percent and earnings up 21.6 percent. Sixty-four percent of the company's sales is derived from convenience retailing. The firm's Citgo Petroleum subsidiary provided tax benefits that reduced the company's income tax rate to 7 percent, compared with 29 percent in 1983.

Despite adverse refinery industry conditions affecting Citgo in 1984, Southland

SALES AND NET INCOME OF TOP PUBLICLY OWNED FOOD CHAINS

(RANKED BY SALES VOLUME)

(Add 000 to all dollar figures.)

84	83	Company	Fiscal Year	1984 Sales*	1983 Sales*	% Change	1984 Income*	1983 Income*	Net Change	% Change	Stores 84	Stores 83
1	1	**Safeway Stores, Inc.** (Oakland, CA)	12/29/84	$19,642,201	$18,585,217	5.7%	$185,011	$183,303	$1,708	0.9%	2,571	2,507
2	2	**The Kroger Co.** (Cincinnati, OH)**	12/29/84	15,922,891	15,236,013	4.5%	156,633	127,079	29,554	23.3%	1,874	1,780
3	5	**American Stores Co.** (Salt Lake City, UT)	2/2/85	12,118,785	7,983,477	51.8%	185,525	117,902	67,623	57.4%	957	1,020
4	3	**The Southland Corp.**¹ (Dallas, TX)	12/31/84	12,105,001	8,805,010	37.5%	160,252	131,768	28,484	21.6%	7,521	7,299
5	4	**Lucky Stores, Inc.** (Dublin, CA)	2/3/85	9,238,529	8,388,185	10.1%	94,631	105,400	(10,769)	−10.2%	622	667
6	6	**Winn-Dixie Stores, Inc.** (Jacksonville, FL)	6/26/85	7,774,488	7,302,580	6.5%	107,895	115,916	(8,021)	−6.9%	1,262	1,231
7	7	**A&P** (Montvale, NJ)	2/23/85	5,878,286	5,222,013	12.6%	215,789	47,561	168,228	UP	1,001	1,022
8	8	**Albertson's, Inc.** (Boise, ID)	1/31/85	4,735,724	4,279,331	10.7%	79,746	70,281	9,465	13.5%	434	432
9	9	**Supermarkets General Corporation** (Woodbridge, NJ)	2/2/85	4,366,050	3,517,548	23.6%	52,424	40,674	11,750	28.9%	176	130
10	11	**The Stop & Shop Companies, Inc.** (North Quincy, MA)	2/2/85	3,247,328	2,790,700	16.4%	54,845	50,801	4,044	8.0%	119	116
11	10	**The Grand Union Company** (Elmwood Park, NJ)	3/30/85	2,529,362	3,438,846	−26.4%	5,328	(115,240)	120,568	UP	383	395
12	12	**Giant Food, Inc.** (Landover, MD)	2/23/85	2,130,708	1,957,426	9.3%	45,221	40,511	4,710	11.6%	131	131
13	13	**Waldbaum, Inc.** (Central Islip, NY)	12/29/84	1,711,823	1,585,896	7.9%	13,028	13,940	(912)	−6.5%	141	142
14	17	**The Circle K Corp.** (Phoenix, AZ)	4/30/85	1,692,108	1,028,853	63.5%	33,421	21,662	11,759	54.3%	2,609	2,185
15	16	**Food Lion, Inc.** (Salisbury, NC)	12/29/84	1,469,564	1,172,459	25.3%	37,305	27,718	9,587	34.6%	251	226
16	14	**First National Supermarkets, Inc.** (Cleveland, OH)	3/30/85	1,361,564	1,276,978	6.6%	5,762	1,194	4,568	UP	145	142
17	15	**The Cullum Companies, Inc.** (Dallas, TX)	6/29/85	1,171,881	1,228,340	−4.6%	17,225	12,577	4,648	37.0%	70	126
18	18	**Borman's Inc.** (Detroit, MI)**	1/26/85	1,025,820	995,238	3.0%	(1,119)	(10,915)	9,796	89.7%	101	101
19	20	**Weis Markets, Inc.** (Sunbury, PA)	12/29/84	957,776	891,657	7.4%	55,307	50,120	5,187	10.3%	119	118
20	21	**National Convenience Stores, Inc.** (Houston, TX)	6/30/85	927,507	818,990	13.3%	15,509	18,450	(2,941)	−15.9%	1,104	1,086
21	22	**Bruno's, Inc.** (Birmingham, AL)	6/29/85	888,749	716,761	23.9%	[illegible]	18,845	5,707	30.3%	86	76
22	19	**Pantry Pride, Inc.** (Fort Lauderdale, FL)	7/28/84	770,411	941,635	−18.2%	[illegible]	13,540	(3,612)	−26.7%	100	120
23	26	**Harris-Teeter/Food World, Inc.** (Charlotte, NC)	9/30/84	730,882	541,321	34.9%	13,221	10,605	2,616	24.7%	128	70
24	23	**Hannaford Bros. Co.** (Scarborough, ME)	12/29/84	[illegible]	624,340	13.3%	11,347	9,643	1,704	17.7%	88	67
25	25	**Delchamps, Inc.** (Mobile, AL)	6/29/85	631,069	587,508	7.4%	9,608	8,514	1,094	12.8%	78	73
26	24	**Marsh Supermarkets, Inc.** (Yorktown, IN)**	3/30/85	628,145	604,963	3.8%	4,719	1,626	3,091	UP	226	216
27	30	**Shopwell, Inc.** (Bronx, NY)**	12/29/84	562,157	511,908	8.8%	(1,548)	1,799	(3,347)	DOWN	58	65
28	28	**Big V Supermarkets, Inc.** (Florida, NY)	12/29/84	542,823	525,784	3.2%	[illegible]	5,512	(3,656)	−66.3%	32	31
29	29	**Penn Traffic Co. (Riverside Division)** (Dubois, PA)	2/2/85	[illegible]	[illegible]	4.4%	3,852	6,402	(2,550)	−39.8%	56	75
30	32	**Pueblo International, Inc.** (New York, NY)	1/26/85	518,358	476,808	8.7%	5,105	3,882	1,223	31.5%	44	43
31	27	**Allied Supermarkets, Inc.** (Detroit, MI)	6/28/85	514,000(e)	535,630	−4.0%	—	—	—	—	20	64
32	31	**Fisher Foods, Inc.** (Bedford Heights, OH)	12/29/84	500,471	503,430	−0.6%	(5,464)	509	(5,973)	DOWN	47	46
33	33	**Seaway Food Town** (Maumee, OH)	9/29/84	[illegible]	472,333	−1.3%	1,691	3,431	(1,740)	−50.7%	73	73
34	36	**King Kullen Grocery Co.** (Westbury, NY)	9/29/84	464,872	439,195	5.8%	1,962	2,484	(522)	−21.0%	51	66
35	35	**Foodarama Supermarkets, Inc.** (Freehold, NJ)	11/3/84	460,748	449,971	2.4%	210	155	55	35.5%	28	31
36	34	**Arden-Mayfair, Inc** (Compton, CA)	12/29/84	435,895	464,282	−6.3%	5,239	1,766	3,473	UP	53	64
37	37	**Munford Inc.** (Atlanta, GA)	1/3/85	423,511	395,795	7.0%	8,235	7,510	725	9.7%	1,115	916
38	39	**Victory Markets, Inc.** (Norwich, NY)	12/29/84	361,711	329,225	9.7%	2,474	2,914	(440)	−15.1%	84	87
39	42	**Farm Fresh, Inc.** (Norfolk, VA)	12/29/84	359,505	294,405	22.1%	9,778	7,080	2,698	38.1%	30	28
40	40	**Village Supermarkets, Inc.** (Springfield, NJ)	7/28/84	342,830	314,817	9.0%	35	1,776	(1,741)	−98.0%	21	21
41	38	**Mayfair Supermarkets** (Elizabeth, NJ)	9/1/84	323,861	341,180	−5.1%	1,215	3,134	(1,919)	−61.2%	31	32
42	41	**Mott's Super Markets, Inc.** ((East Hartford, CT)	12/29/84	297,818	295,357	0.8%	463	1,540	(1,077)	−69.9%	24	24
43	43	**Shop & Go, Inc.** (Mango, FL)	3/28/85	293,097	252,350	16.2%	10,205	8,944	1,261	14.1%	446	420
44	44	**Sunshine-Jr. Stores, Inc.** (Panama City, FL)	12/27/84	181,880	169,273	7.5%	2,219	1,818	401	22.1%	336	345
		TOTALS		$121,915,997	$107,805,667	13.1%	$1,840,627	$1,174,120	$466,507	39.7%	24,860	23,797

*Total company sales and net income **Also operates convenience stores (e) = Estimate: Data not yet available ¹Number of stores includes 7-Eleven, Gristedes and Charles & Co. only

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believes this acquisition will result in a number of benefits. Citgo now supplies 95 percent of 7-Eleven formats in several markets, featuring bakery-style display cases, expanded self-serve beverage bars and standup tables for fast food customers.

Lucky Stores sales were up 10.1 percent but net income declined 10.2 percent as its Gemco membership department stores and the Automotive group suffered sales setbacks. The company's food operations ended the year well, with an 18 percent increase in earnings. The firm also took a loss in its divested apparel division, selling all 240 stores in the third quarter.

Lucky's food operations are expected to continue to show good results. Over the past year, the company sold 14 unprofitable stores in Wisconsin, and completed plans to pull out of Chicago and Houston, all highly competitive markets.

Winn-Dixie improved its sales 6.5 percent but intense competition in its key markets brought a 6.9 percent drop in earnings. The company's 225 stores in the Charlotte and Raleigh markets are fighting a battle for share with an everyday low price strategy. The recent opening of the first Cub warehouse in Atlanta could move Winn-Dixie to respond with a similar price program there.

The Cub incursion into the Florida market, where Winn-Dixie operates 400 stores, will command much of management's attention in the near future. Another factor which affected Winn-Dixie's earnings was an accelerated store opening program. During the fiscal year ended June 1985, the company opened 71 units, remodeled 60, closed 38 and began construction on 69 new outlets. In contrast to Winn-Dixie's traditional disinterest in nonfoods, its new stores are allocating 40 percent of selling area to nonfoods items, and including pharmacies, floral and cosmetic departments.

Fifteen years ago, it was the nation's largest food chain, with almost 4,600 stores located in 36 states, the District of Columbia and Canada. It was a stodgy old giant, operating its own food processing plants and aloof from involvement in most industry groups. Today, **A&P** is a streamlined food chain of 1,001 stores with the ongoing objective of continued "improvement of our stores to create the right environment for customers."

With sales of $5.9 billion and earnings of $215.8 million, the company is now the seventh largest chain, but its future is much brighter. Besides the rollout of new concepts and store formats, A&P is taking the acquisition route toward faster growth through its recent purchases of 20 Pantry Pride stores in Virginia, and 11 Eagle stores, which were added to the Kohl's acquisition in Wisconsin.

Another significant step toward expansion is the company's agreement this year to acquire 93 Dominion stores in the province of Ontario, a move that will create new opportunity for the enlargement of its Canadian operation.

Albertson's ended its fiscal year in January 1985 with sales of $4.7 billion (+ 10.7 percent) and earnings of $79.7 million (+ 13.5 percent). After a 16-year absence, the chain has reentered the Tacoma, Wash. market with the superstore format, and also the Dallas market with combination stores.

The company left the Dallas market in 1977 when it terminated its partnership with Skaggs' Companies (now American Stores). Albertson's philosophy of one-stop shopping is resulting in the building of larger stores which will accommodate specialty departments and more general merchandise items.

Supermarkets General completed its fiscal year with a sales increase of 23.6 percent and growth in net income of 28.9 percent. The company's Pathmark division, a major factor in the Middle Atlantic region with supermarkets and drug stores, has now expanded into the New England region with the 1984 acquisition of Purity Supreme. Purity brings to Supermarkets General about $1 billion in annual sales, plus expertise in retailing formats such as super warehouse and convenience stores.

Reaching $3 billion in sales (+ 16.4 percent) and $54.8 million in earnings (+ 8 percent), **Stop & Shop** displaced Grand Union from the top 10 chains list. The company's commitment to the Super Stop & Shop concept resulted in the opening of nine of these high volume superstores in 1984 and plans call for eight to 10 more in 1985. The long term strategy is to convert the supermarket company into a superstore company. The Stop & Shop Manufacturing Company, also a significant contributor to sales and earnings, includes a bakery, carbonated beverage plant, household chemical plant, photo finishing plant and recycling center.

THE 10 FASTEST GAINERS IN SALES
(Greatest Dollar Increases)
(Add 000)

Chain	Sales 1984	Sales 1983	Increase In Sales
American Stores	$12,118,793	$ 7,983,677	$4,135,116
Southland Corp.	12,105,001	8,805,010	3,299,991
Safeway Stores	19,642,201	18,585,217	1,056,984
Lucky Stores	9,236,529	8,388,155	848,374
Supermarkets General	4,346,680	3,517,548	829,132
The Kroger Co.	15,922,891	15,236,013	686,878
A&P	5,878,286	5,222,013	656,273
Circle K	1,682,164	1,028,853	653,311
Winn-Dixie	7,774,480	7,302,369	472,111
Stop & Shop Co.	3,247,298	2,790,799	456,499

THE 10 FASTEST GAINERS IN SALES
(Greatest Percentage Increase)

Chain	Percent Gain in Sales	Sales Rank 1984	Sales Rank 1983
Circle K	63.5%	14	17
American Stores	51.8	3	5
Southland Corp.	37.5	4	3
Harris-Teeter (Ruddick)	34.9	23	26
Food Lion	25.3	15	16
Bruno's Inc.	23.9	21	22
Supermarkets General	23.6	9	9
Farm Fresh	22.1	39	42
Stop & Shop Co.	16.4	10	11
Shop & Go Inc.	16.2	43	43

THE 10 BEST PROFIT MARGINS
(Net Income After Taxes
as Percent of Sales)

Chain	1984	1983
Weis Markets	5.77%	5.62%
A&P	3.67	.91
Shop & Go	3.48	3.54
Bruno's Inc.	2.77	2.63
Farm Fresh	2.72	2.40
Food Lion	2.54	2.36
Giant Food	2.11	2.07
Circle K	1.99	2.11
Munford Inc.	1.94	1.90
Harris-Teeter (Ruddick)	1.81	1.96

Includes only those chains with no reported losses in either year.

THE 10 BIGGEST GAINERS IN EARNINGS
(Greatest Dollar Increase)
(Add 000)

Chain	Earnings 1984	Earnings 1983	Net Increase in Earnings
A&P	$215,779	47,551	$168,228
Grand Union	5,328	(115,240)	120,568
American Stores	185,525	117,902	67,623
The Kroger Co.	156,633	127,079	29,554
Southland Corp.	160,252	131,768	28,484
Circle K	33,421	21,662	11,759
Supermarkets General	52,424	40,674	11,750
Food Lion	37,305	27,718	9,587
Albertson's	79,746	70,281	9,465
Bruno's Inc.	24,552	18,845	5,707

THE 10 FASTEST GAINERS IN EARNINGS
(Greatest Percentage Increase)

Chain¹	Percent Gain in Earnings	Earnings Rank 1984	Sales Rank 1984
American Stores	57.4%	2	3
Circle K	54.3	14	14
Farm Fresh	38.1	23	39
Food Lion	34.6	13	15
Bruno's Inc.	30.3	15	21
Supermarkets General	28.9	11	9
Harris-Teeter (Ruddick)	24.7	18	23
The Kroger Co.	23.2	5	2
Southland Corp.	21.6	18	4
Hannaford	17.7	4	24

NOTE: Excludes A&P due to extraordinary credit from pension surplus in 1984.

THE 15 DECLINES IN EARNINGS

Chain	Earnings or Losses (000) 1984	Earnings or Losses (000) 1983	Net Decline in Earnings (000)
Lucky Stores	$ 94,631	$105,400	($10,769)
Winn-Dixie	107,895	115,916	(8,021)
Fisher Foods	(5,464)	509	(5,973)
Big V Supermarkets	1,856	5,512	(3,656)
Pantry Pride	9,928	13,540	(3,612)
Shopwell Inc.	(1,548)	1,799	(3,347)
National Convenience Stores	15,509	18,450	(2,941)
Penn Traffic	3,852	6,402	(2,550)
Mayfair Supermarkets	1,215	3,134	(1,919)
Village Supermarkets	35	1,776	(1,741)
Seaway Food Town	1,691	3,431	(1,740)
Mott's	463	1,540	(1,077)
Waldbaum's	13,028	13,940	(912)
King Kullen	1,962	2,484	(522)
Victory Markets	2,474	2,914	(440)

A LOOK AT SUPERMARKET STOCK PERFORMANCE

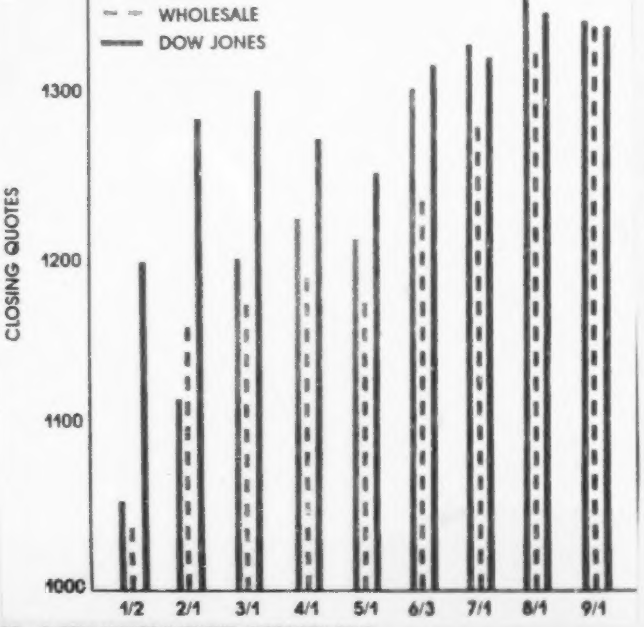
In this issue of SUPERMARKET BUSINESS, we are proud to introduce a valuable and informative financial feature that we believe will be of great value to you, our readers. Compiled by the Stock Market Analysts at Nordby International in Boulder, Colo., this financial barometer will periodically monitor the business climate of the publicly traded companies in the supermarket industry. Such an examination can prove to be a barometer-like indication of whether future business performances will be fair or foul in this industry.

This feature employs some unique concepts that will allow our readers to extract pertinent data on the financial health of this industry. First of all, Nordby International Inc. has developed a stock index exclusively for SUPERMARKET BUSINESS that will give a graphic representation of the collective performance of the stocks that make up this dynamic business segment. This index is in turn compared to the Dow Jones Industrial Average Index to see exactly how they stacked up during the period.

In other words, the individual performances of the stocks can be seen in the company-by-company table, while the performance of the entire portfolio of companies is viewed through the SUPERMARKET BUSINESS Index.

Secondly, we will employ the Market Diary, which recaps the vital statistics from the tables and graphs into a capsule format for easy review of the past week's activity. This section monitors the most active issues during the weekly period in conjunction with an index summary which compares the performance of the SUPERMARKET BUSINESS Index to a number of national index indicators.

SUPERMARKET BUSINESS
STOCK INDEX



We have attempted to be as comprehensive as possible in compiling this list of companies to be monitored. However, it is possible that we may have overlooked some companies that belong on our list. If you know of any errors or omissions, or if you have any suggestions to improve this feature, please let us hear from you.

Nordby International's Views

1985 has been a very good year for supermarket chain stores and wholesalers alike, as our financial barometer of the supermarket industry clearly indicates. Fueled by falling interest rates all year long, the Dow Jones Industrial Average has hit numerous new highs in 1985. The rise in the Dow Industrials in turn led investors (especially institutional investors) to turn their attention to secondary stocks, which usually register larger gains during bull markets like the one we're in now.

Hence the reason for the skyrocketing increases in individual supermarket stocks and the SUPERMARKET BUSINESS Chain Stock and the SUPERMARKET BUSINESS Wholesalers Stock Indices. For example, few stock indices have entered the 1,300 level like the Dow Jones Industrial Average. However, both supermarket indices easily broke the difficult 1,300 barrier early in the year and have remained there to this day.

Stock splits

Another indicator of the popularity of the supermarket stocks can be seen in the number of stock splits that occur in one month. A whopping five companies voted to split their stock last month, with many others doing so throughout the year.

The month of August saw the market take a breather, especially in the Chain Store segment of the Supermarket Industry. Profit taking by individuals and institutions wanting to lock in profits gained during this bull market, plus investor uneasiness about the future direction of the United States economy, were the reasons selling took place last month. However, the SUPERMARKET BUSINESS Wholesalers Index was the only index to finish in the black of all the indices monitored in our Market Diary.

As far as individual issues were concerned last month, Weis Markets took highest dollar-gained honors, as it tacked on $3.25 to its stock price. Conversely, Stop & Shop was the largest dollar loser, as it fell $6 a share. On the other hand, Pacific Gamble Robinson took the highest percentage-gained honors, as it added on 12.5 percent to its market value. On the losing end was Farm Fresh, as it lost 15 percent of its market value in just 30 days. The fact that there were 31 declining stocks compared to 17 advancing was the greatest reason why the SUPERMARKET BUSINESS Chain Stock Index fell 37 points (2.69 percent).

This month, we introduce a new feature about stock performance. So far, 1985 is a good year for stocks—and an exceptionally active one. We hope this chart provides some insights into this complex market.

STOCK PERFORMANCE

Exch	Company CHAINS	Ticker Symbol	Closing Price 8/1/85	Closing Price 9/3/85	Net Change in Period	Percent Change in Period	P/E Ratio	Annual Dividend Rate	Annual Dividend Yield	52 Week High	52 Week Low
NYS	A&P Super Markets	GAP	16.75	15.63	-1.12	-6.69	6	0.00	0.00	18.13	14.38
NYS	Albertson's, Inc.	ABS	29.50	28.13	-1.37	-4.64	11	.76	2.70	33.25	26.38
PHI	Allied Supermarkets, Inc.	ASU	5.00	5.25	.25	5.00	d	.15	2.86	6.00	2.25
NYS	American Stores Co.	ASC	61.25	57.13	-4.12	-6.73	10	.64	1.12	67.50	35.38
OTC	Arden-Mayfair, Inc.	ARDN	17.75	19.50	1.75	9.86	21	0.00	0.00	20.75	11.75
ASE	Big V Supermarkets, Inc.	BIV	15.50	15.13	-.37	-2.39	18	.40	2.64	15.88	9.25
NYS	Borman's, Inc.	BRF	9.00	9.00	0.00	0.00	16	0.00	0.00	9.63	4.25
OTC	Bruno's, Inc.	BRNO	15.13	14.63	-.50	-3.30	21	.16	1.09	16.13	13.25
NYS	The Circle K Corp.	CKP	32.00	31.88	-.12	-.38	12	.74	2.32	37.00	26.50
OTC	Conna Corp.	CONA	10.75	11.75	1.00	9.30	11	.08	.68	12.25	6.00
OTC	The Cullum Companies, Inc.	CULL	27.50	26.25	-1.25	-4.55	13	.56	2.13	28.25	15.25
OTC	Delchamps, Inc.	DLCH	17.50	17.13	-.37	-2.11	13	.28	1.63	20.25	9.63
OTC	Farm Fresh, Inc. (L)	FFSH	16.13	13.75	-2.38	-14.76	13	0.00	0.00	22.60	13.63
OTC	First National Supermarkets, Inc. (H)	FOOD	23.50	24.13	.63	2.68	40	.02	.08	24.13	13.13
NYS	Fisher Foods, Inc. (H)	FHR	11.25	11.63	.38	3.38	d	.05	.43	11.63	8.50
ASE	Foodarama Supermarkets, Inc.	FSM	13.13	12.63	-.50	-3.81	5	0.00	0.00	14.38	6.75
OTC	Food Lion, Inc.	FDLNB	18.00	17.75	-.25	-1.39	22	.07	.39	19.25	10.75
ASE	Giant Food Inc.	GFS A	21.13	22.25	1.12	5.30	13	.50	2.25	22.38	11.38
ASE	Hannaford Bros. Co.	HRD	22.83	23.88	1.05	4.58	15	.50	2.09	23.88	12.25
ASE	Harris-Teeter/Food World, Inc.	RDK	25.13	26.50	1.37	5.45	10	.56	2.11	34.00	22.75
NYS	The Kroger Co.	KR	42.13	42.13	0.00	0.00	11	2.00	4.75	46.00	35.50
NYS	Lucky Stores, Inc.	LKS	21.75	22.63	.88	4.05	11	1.16	5.13	23.25	16.50
OTC	Marsh Supermarkets, Inc.	MARS	16.13	15.00	-1.13	-7.01	12	.52	3.47	17.50	14.13
OTC	Mayfair Super Markets, Inc.	MYFRA	16.33	16.00	-.33	6.24	17	.08	.50	16.75	6.00
ASE	Mott's Super Markets, Inc. (L)	MSM	9.75	9.50	-.25	-2.56	56	.20	2.11	13.25	9.50
NYS	Munford Inc.	MFD	22.00	21.50	-.50	2.27	11	.54	2.51	26.88	19.75
NYS	National Convenience Stores, Inc.	NCS	12.50	12.50	0.00	0.00	16	.36	2.88	18.50	10.50
NYS	Pantry Pride, Inc.	PPR	7.38	6.75	-.63	-8.54	31	0.00	0.00	8.00	3.38
ASE	Penn Traffic Co.	PNF	23.25	23.38	.13	.56	12	1.20	5.13	24.13	15.50
NYS	Pueblo International, Inc.	PII	14.88	14.13	-.75	-5.04	11	.16	1.13	15.25	9.25
NYS	Safeway Stores, Inc.	SA	31.38	30.63	-.75	-2.39	10	1.60	5.22	34.88	24.63
OTC	Seaway Food Town	SEWY	17.00	17.50	.50	2.94	9	.68	3.89	18.50	12.00
OTC	Shop & Go, Inc.	SHGO	16.50	16.13	-.37	-2.24	8	.20	1.24	19.25	11.50
ASE	Shopwell, Inc.	SH	19.13	18.75	-.38	-1.99	d	.16	.85	19.50	10.88
NYS	The Southland Corp.	SLC	37.00	35.63	-1.37	3.70	9	1.00	2.81	39.50	24.75
NYS	Stop & Shop	SHP	44.50	38.50	-6.00	-13.48	8	1.10	2.86	51.50	36.63
ASE	Sunshine-Jr. Stores, Inc.	SJS	19.13	20.38	1.25	6.53	12	.48	2.36	21.38	11.13
NYS	Supermarkets General Corp.	SGL	45.75	44.13	-1.62	-3.54	13	.48	1.09	48.38	26.50
OTC	Victory Markets, Inc.	VMKT	17.75	17.25	-.50	-2.82	10	.40	2.32	18.00	12.50
OTC	Village Supermarkets, Inc.	VLGE	17.75	17.50	-.25	-1.41	—	.60	3.43	18.00	13.25
OTC	Waldbaum, Inc. (H)	WALD	20.75	22.75	2.00	9.64	10	0.00	0.00	25.25	16.00
NYS	Weis Markets, Inc.	WMK	29.63	32.88	3.25	10.97	—	0.00	0.00	33.00	22.00
NYS	Winn-Dixie Stores, Inc.	WIN	36.00	35.88	-.12	-.33	14	1.74	4.85	36.38	30.00
	WHOLESALERS										
OTC	Cardinal Distribution*	CDIC	18.25	17.13	-1.12	-6.14	17	.08	.47	18.75	12.00
NYS	Fleming Cos	FLM	38.50	37.38	-1.12	-2.91	13	1.00	2.68	39.75	26.75
OTC	Godfrey Co. (H)	GDFY	17.00	17.88	.88	5.18	15	.52	2.91	18.38	14.88
OTC	Nash Finch Co.	NAFC	28.75	28.75	0.00	0.00	12	1.00	3.48	30.25	18.50
OTC	Pacific Gamble Robinson Co.	PGAM	20.00	22.50	2.50	12.50	25	1.00	4.44	25.25	19.00
ASE	Super Food Services, Inc.	SFS	33.38	32.63	-.75	-2.25	14	.44	1.35	35.25	20.88
OTC	Super Rite Foods, Inc.	SRFI	23.00	22.75	-.25	-1.09	20	.20	.88	24.50	11.25
NYS	Super Valu Stores Inc.	SVU	19.94	19.75	-.19	-.95	—	0.00	0.00	22.00	14.25
OTC	Wetterau Inc. (H)	WETT	30.88	31.63	.75	2.43	12	.98	3.10	34.88	21.50

*part of Cardinal Foods, Inc.

MARKET DIARY:

MOST ACTIVE ISSUES

Largest Dollar Gainer	Weis Markets	+$ 3.25
Largest Dollar Loser	Stop & Shop Co.	−$ 6.00
Largest Percentage Gainer	Pacific Gamble Robinson	+ 12.50%
Largest Percentage Loser	Farm Fresh	− 14.76%

	Close 8/01/85	Close 9/3/85	Net Change in Period	Percent Change in Period
Supermarket Business Chain Stock Index	1372.37	1335.40	-36.97	-2.69
Supermarket Business Wholesalers Stock Index	1324.97	1328.40	3.43	.26
Dow Jones Industrial Average	1355.62	1329.19	-26.43	-1.95
Standard & Poor 500-Stock Index	192.11	187.91	-4.20	-2.19
N.Y.S.E. Composite	111.18	108.91	-2.27	-2.04
Value Line Index	203.54	198.65	-4.89	-2.40

Advances	17
Declines	31
Unchanged	4
New Highs	6
New Lows	2

Key: (H) = New High in Period (L) = New Low in Period d = Deficit
NYS = New York ASE = American OTC = Over the Counter PHI = Philadelphia
All OTC quotes are represented by the Bid Price.

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LEADING WHOLESALERS

BY NORMAN BUSSEL

Food wholesalers: The bigger they are— the bigger they grow

Is bigger necessarily better? When it comes to food wholesalers, size does provide its advantages. The nation's three largest wholesalers account for 75 percent of the sales and 85 percent of the net income of the companies in SUPERMARKET BUSINESS's survey.

In a year when some wholesalers slipped in sales and earnings, merged through economic necessity, or reorganized under Chapter 11, the largest companies just grew bigger. Why are the larger wholesalers more successful? In a word: money.

George H. Thomazin, president of Wetterau's Food Distribution Group, puts the formula this way, "In the wholesale food business, you have to create your own growth through the development of new accounts or through acquisitions." It's a fact of life that this theory works, but it requires the megabucks that only the largest players can provide.

To obtain new accounts, a wholesaler must take this business away from its competition. And the way to do this is by offering more and better services. Many wholesalers provide basic support services, such as retail accounting, advertising and merchandising.

But some smaller companies cannot supply the capital needed for sophisticated computer-based services such as data entry terminal systems, point-of-sale scanning, direct store delivery systems, shelf and price management, and instore microcomputers. With the intensity of today's competition, retailers need the edge that these kinds of services can give them.

Volume discounts

Other advantages that larger wholesalers often provide to their customers are lower prices, resulting from the supplier's volume discounts that can be passed on to the retailer, and more efficient warehouse operations. Warehouse renovations can sometimes run into multi-million dollar expenditures that most smaller wholesalers cannot afford.

One of the fastest ways for wholesalers to enter new markets is through acquisition. Again, the key to this kind of expansion is enormous investment. As the costs of running an efficient wholesale operation have escalated over the past few years, more and more small and medium wholesalers have had to decide whether to seek acquisitions, or go out of business.

Usually, the former decision offered the best prospects. And the giants of food wholesaling have not failed to capitalize on the problems of their ailing, smaller counterparts. From the number of recent offers and agreements in principle, the acquisition trend promises to continue, although the pace may become slower. As the smaller wholesalers are gobbled up by the larger firms, the supply of candidates for takeover will eventually dwindle.

Big Three control more than 21 percent of wholesale food sales

The top three food wholesalers account for 75 percent of the sales of the companies in this survey and more than 21 percent of the sales of all voluntary, cooperative and unaffiliated wholesalers in the country. Super Valu, Fleming and Wetterau are also among the most acquisition-minded wholesalers, a big factor in their unusual growth.

Super Valu, the nation's largest food wholesaler, has grown from sales of $1.78 billion in 1976 to $6.5 billion at the end of the current fiscal year. Much of the company's growth has come by way of acquisition. Super Valu now supplies 2,300 stores in 32 states and is a good bet to be the first food wholesaler to serve stores nationwide.

In the past three years, Super Valu has expanded into major markets which were within its operating territories, but where it previously had little market presence, including: Cincinnati, Chicago, Indianapolis, Milwaukee and St. Louis. The company has also acquired new distribution facilities in Albuquerque, Denver, Jacksonville, Miami and Atlanta. These new markets represent total retail food sales potential of over half a billion dollars per week.

Super Valu's recent agreement in principle to purchase West Coast Grocery Company, a Tacoma, Wash. wholesaler, would boost its annual sales by an additional $1 billion.

Striking fear in the competition

Of the 11 top public wholesalers in our survey, eight have corporately owned stores. And none are more feared by competition than Super Valu's version of the warehouse store—Cub Foods.

Ten of the present 23 Cub stores are franchised, and plans for 1986 call for an additional 11 franchise stores and one corporate store. Cub sales per store are estimated at between $35 and $55 million per year. Featuring top quality produce, good bakery, deli, fish, meat and rock bottom grocery prices, Cub does little advertising, yet draws customers from many miles away.

Of the initial furor caused by Super Valu's entry into the Minneapolis market with Cub stores, in direct competition with stores which its own warehouse supplied, Super Valu's chairman and c.e.o., Michael W. Wright, declared, "This store is not for everybody. Some people will want more service. There is room for all kinds of different formats. And we certainly think that a well-operated, friendly, clean, conventional supermarket, with good perishables and lots of service, is going to survive."

Fleming Companies, the second ranking wholesaler, serves 4,520 stores in 31 states. Sales for year-end 1984 were $5.5 billion, up from $1.7 billion in 1975. Fleming has also used acquisitions for expansion, with its latest purchase being United Grocers, Ltd., of Richmond, Calif. The United acquisition will add more than $1 billion to the company's sales in 1985.

Subleasing with Alpha Beta

Fleming gained additional distribution in northern California this year through a subleasing agreement with Alpha Beta to occupy a 539,000-square-foot warehouse in Milpitas. Fleming will service 55 Alpha Beta stores from this facility and has assisted in the sale of 19 former Alpha Beta locations to independent retailers who will be served by other Fleming centers.

Fleming supplies all kinds of retail formats, from convenience stores and combination stores, to warehouse and super warehouse stores. At the end of 1984, Fleming was supplying 38 warehouse and super warehouse stores, 12 of them operating under the name Food 4 Less, the company's warehouse store program which it franchised in 27 states.

Going the acquisition route

Wetterau has also gone the acquisition route to growth, acquiring Milgram Food Stores in early 1985 and announcing its intent to purchase two wholesalers. In May 1985, the company signed an agreement in principal to acquire the The Creasey Company, a voluntary food wholesaler in Louisville, Ky., with sales of $283 million and serving customers in seven states. In June 1984, Wetterau announced an agreement in principle to acquire Cressey Dockham & Company in Andover, Mass., with sales of $250 million.

Two years ago, in its annual report to shareholders, Wetterau set forth five basic strategies for growth: attract regional chains, acquire compatible businesses, strengthen support services, expand facilities and increase productivity.

Significant progress has already been made in reaching those goals. Wetterau currently serves 17 regional chain accounts, representing more than 300 supermarkets. Acquisitions include a chain and two wholesalers. A microcomputer system is now available to retailers. Over the past two years, nearly $60 million has been invested in plants and equipment. And distribution productivity has exceeded its four percent target increase.

In a recent SUPERMARKET BUSINESS survey, both wholesalers and retailers agreed that the greatest single problem facing them in 1985 was competition from large chains and super stores. Another area of agreement was the problem of solvency and financial assistance.

Certainly wholesalers and retailers alike share many other important concerns. But competition and financial assistance are the two issues that require priority attention. To solve these problems, wholesalers will have to provide a complete range of supporting services to their retail accounts. Those distributors who can commit to—and deliver—these services, will still be successful, long after this phase of industry consolidation has run its course.

SALES OF TOP PUBLICLY OWNED WHOLESALERS (RANKED BY SALES VOLUME)

84	83	Company	Fiscal Year	1984 Sales ($000)	1983 Sales ($000)	% Change
1	1	**Super Valu Stores** (Minneapolis, MN)	2/23/85	$ 6,547,680	$ 5,727,565	14.3%
2	2	**Fleming** (Oklahoma City, OK)	12/29/84	5,511,819	4,898,175	12.5
3	3	**Wetterau** (Hazelwood, MO)	3/30/86	3,100,661	2,684,057	15.5
4	4	**Super Food Services** (Dayton, OH)	8/25/84	1,290,566	1,224,974	5.4
5	5	**Nash Finch Co.** (Minneapolis, MN)	12/29/84	1,238,319	1,142,988	8.3
6	6	**Pacific Gamble Robinson** (Minneapolis, MN)	12/31/84	842,075	833,199	1.1
7	7	**Godfrey Company** (Waukesha, WI)	2/23/85	533,813	499,393	6.9
8	9	**Super Rite Foods** (Harrisburg, PA)	3/2/85	375,609	286,832	31.0
9	8	**Schultz Sav-O Stores** (Sheboygan, WI)	12/29/84	367,575	368,813	-.3
10	10	**Cardinal Distribution** (Dublin, OH)	3/30/85	320,010	243,263	31.5
11	11	**Bozzuto's** (Cheshire, CT)	9/29/84	221,276	179,237	23.5
		TOTAL		$20,349,403	$18,088,496	12.5

NET INCOME OF TOP PUBLICLY OWNED WHOLESALERS (RANKED BY SALES VOLUME)

84	83	Company	1984 Income ($000)	1983 Income ($000)	Net Change ($000)	% Change	Stores Serviced	Stores Operated
1	1	**Super Valu Stores** (Minneapolis, MN)	$107,212	$ 76,732	$30,480	39.7%	2,300	60
2	2	**Fleming** (Oklahoma City, OK)	49,572	41,710	7,862	18.8	4,520	—
3	3	**Wetterau** (Hazelwood, MO)	26,556	22,151	4,405	19.9	1,700	71
4	4	**Super Food Services** (Dayton, OH)	7,278	5,458	1,820	33.3	800	—
5	5	**Nash Finch Co.** (Minneapolis, MN)	11,686	11,067	619	5.6	1,668	92
6	6	**Pacific Gamble Robinson** (Minneapolis, MN)	1,393	3,121	(1,728)	-55.4	7,200 (e)	88
7	7	**Godfrey Company** (Waukesha, WI)	2,781	1,508	1,273	84.4	85 (e)	42
8	9	**Super Rite Foods** (Harrisburg, PA)	5,178	3,959	1,219	30.8	185	47
9	8	**Schultz Sav-O Stores** (Sheboygan, WI)	1,111	1,110	1	1	174	38
10	10	**Cardinal Distribution** (Dublin, OH)	3,677	2,584	1,093	42.3	135	22
11	11	**Bozzuto's** (Cheshire, CT)	852	757	95	12.5	220 (e)	—
		TOTAL	$217,296	$170,157	$47,139	27.7%	18,987	460

SAMI UPDATE: **HBA Sales Leading the Pack in Food Stores**

During the 28 days ending July 19, 1985, there was a gain of 5.0 percent for health and beauty aids items tracked by SAMI over the corresponding four-week period a year ago. During this period, SAMI started to track sales in a new category—natural vitamins, minerals and supplements, but sales of these items have not been included in the total trend.

The vitamins category, which has always included only synthetic vitamins, has been renamed to reflect the difference between the two vitamin categories. Only refrigerated foods with a four-week tonnage gain of 4.7 percent threatens to keep pace with the growth of health and beauty aids in food stores, which have been the pace setters for two consecutive reporting periods.

During this same four-week period, two product departments had tonnage losses: a decline of 0.6 percent for dry grocery: nonfoods and a decrease of 1.4 percent for frozens. Volume of dry grocery: food products managed to improve, but only by 0.1 percent. Combining all departments, unit volume was ahead of the similar period a year ago by half a percentage point, after deducting the volume of three product categories that SAMI has just started to monitor.

An increased upward thrust

The most recent gain for HBA brands of 5.0 percent represents an increased upward thrust over the preceding period, when unit volume through food stores rose 4.5 percent. However, in the prior period, gains were found in all eight product groups, whereas there were only three product groups with gains in the July reporting period: skin care aids (+17.3 percent), hair care needs (+11.5 percent) and oral hygiene (+9.6 percent).

These increases in high volume were sufficient to erase the losses in the other five product groups, where the highest decline was a fairly modest loss of 1.8 percent by baby needs. The other four product group loss rates amounted to less than 1 percent.

At the category level of measurement, the gains outpaced losses 32 to 18. This compares with a 30 to 20 ratio in the preceding period. Some 14 product categories had gain rates in excess of 10 percent, while losses of a similar amount were recorded in just six.

The highest gain rate is still found in the hair setting needs category (+148.3 percent), where hair styling mousse products are continuing to expand volume at a rapid pace.

There were unit volume losses in three of the four categories in SAMI's baby needs product group. Movement of baby oils, cream & lotions fell only 0.9 percent, but there were declines of 9.5 percent for baby powders, reversing the positive trend in the preceding period, and a major loss of 17.9 percent for infant clothes. Exhibiting strength, as has become customary, is the nursing supplies category, where a gain rate of 6.8 percent was registered.

Among deodorants, five of the eight categories tracked by SAMI were in the plus column trend-wise. A four-week gain of 1.4 million units, or 18.3 percent, was found in the stick deodorant category, which has taken volume from roll-ons

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(−13.1 percent) and cream deodorants (−9.5 percent), in particular.

Spray deodorants continue to show negative sales as a result of weakness for body sprays, which have failed to measure up to their initial performance. Gains of more than five percent were achieved by foot deodorants and athlete's foot remedies (+10.3 percent), deodorant and talcum powder (+10.0 percent), feminine douches (+7.7 percent) and feminine hygiene deodorants (+6.2 percent). In all eight of these deodorant categories combined, the gain rate amounted to 2.1 percent.

In addition to the dramatic growth for hair setting needs, there were important gains in four other categories of hair care needs: hair spray (+12.1 percent), hair conditioning rinses (+10.4 percent), hair dressing needs (+9.7 percent) and shampoo (+5.8 percent). Each of these rates of gain were higher than the trends on a 12- or 52-week basis. New product activity can be credited with much of the increase in these categories.

The poorest performance is, and has been of late, found in the home permanent kits category. The most recent loss of 13.0 percent is even higher than the 10.9 percent for the 12-weeks or 9.0 percent for the full year. There was a small loss of 0.4 percent for hair coloring products, which have not been the focal point of new product launchings.

In the oral hygiene product group, losses continue in the denture cleaner and adhesive categories, but there are now impressive gains among dentrifrices and the current four-week gain of 14.3 percent represents a single month increase of more than 4.2 million units.

New pumps

New pumps and tartar/plaque entries are responsible for the turnaround in this category, which had been flooded with deal merchandise to load up consumers with creams and gels. There were also gains of 5.5 percent for toothbrushes, 2.3 percent for mouthwash and 1.6 percent for breath fresheners.

An infinitesimal loss in units is seen in the proprietary remedies product group, primarily as a result of sales weakness among appetite suppressants (−15.1 percent), external analgesics (−10.1 percent) and internal analgesics

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO		
	4 WEEKS ENDING 5/24/85	4 WEEKS ENDING 6/21/85	4 WEEKS ENDING 7/19/85
BABY NEEDS	**+ 3.4%**	**+ 2.2%**	**− 1.8%**
Baby Powders	+ 8.3	+ 3.6	− 9.5
Baby Oils, Creams & Lotions	+ 1.8	− 0.5	− 0.9
Infant Clothes	− 14.0	− 8.4	− 17.9
Nursing Supplies	+ 8.1	+ 7.8	+ 6.8
DEODORANTS	**+ 6.1%**	**+ 2.2%**	**+ 2.1%**
Sprays	− 1.4	− 3.9	− 1.8
Roll-Ons	− 1.7	− 3.5	− 13.1
Stick Deodorants & Pads	+ 18.5	+ 10.0	+ 18.3
Creams	− 7.2	− 11.7	− 9.5
Deodorants & Talcum Powders	± 0.0	+ 3.1	+ 10.0
Feminine Hygiene Deodorants	+ 11.8	+ 7.3	+ 6.2
Foot Deodorants & Athlete's Foot Remedies	+ 11.9	+ 10.5	+ 10.3
Feminine Douches	+ 9.6	+ 8.6	+ 7.7
FIRST AID	**+ 6.5%**	**+ 4.0%**	**− 0.1%**
Antiseptics	+ 7.2	+ 4.8	− 3.6
First Aid Products	+ 6.3	+ 3.7	+ 1.2
HAIR CARE NEEDS	**+ 6.4%**	**+ 8.6%**	**+ 11.5%**
Shampoos	+ 1.1	+ 0.6	+ 5.8
Hair Sprays	+ 6.3	+ 9.5	+ 12.1
Hair Conditioning Rinses	+ 4.5	+ 9.8	+ 10.4
Hair Setting Needs	+ 132.7	+ 178.3	+ 148.3
Home Permanent Kits	− 7.6	− 11.8	− 13.0
Hair Coloring	+ 7.1	+ 3.2	− 0.4
Hair Dressing Needs	+ 4.3	+ 5.2	+ 9.7
ORAL HYGIENE	**− 4.4%**	**+ 3.7%**	**+ 9.6%**
Toothpastes & Powders	− 6.5	+ 3.3	+ 14.3
Mouthwashes	+ 2.1	+ 7.9	+ 2.3
Breath Fresheners	− 2.7	+ 10.5	+ 1.6
Denture Cleaners	− 6.0	− 9.2	− 4.7
Denture Adhesives	− 3.2	− 2.1	− 5.7
Toothbrushes	− 0.7	+ 6.8	+ 5.5
PROPRIETARY REMEDIES	**+ 0.8%**	**+ 3.8%**	**− 0.1%**
Antacids	+ 2.8	+ 5.1	+ 3.5
Internal Analgesics	+ 4.1	+ 2.9	− 7.4
External Analgesics	− 0.5	− 2.2	− 10.1
Cold Tablets	+ 1.9	+ 6.9	+ 11.2
Nasal Sprays—Drops—Inhalers	− 2.2	+ 1.8	+ 0.8
Chest Rubs	− 14.2	− 6.7	+ 2.1
Cough Remedies	− 11.4	+ 0.4	+ 4.6
Laxatives	− 2.2	− 0.7	+ 1.7
Sleeping Aids	+ 15.0	+ 17.9	+ 11.4
Tranquilizers	− 29.1	− 23.2	− 26.5
Synthetic Vitamins (Natural Vitamins, Minerals, Supplements)	+ 1.3	+ 8.1	− 0.8
Eye Care Products	+ 26.8	+ 26.2	+ 27.8
Appetite Suppressants	− 13.5	− 11.9	− 15.1
SHAVING NEEDS	**− 0.3%**	**+ 1.0%**	**− 0.3%**
Shaving Creams	+ 3.3	+ 4.4	+ 4.5
Pre-Shave Lotions	+ 5.2	− 2.4	+ 3.0
After-Shave Lotions	+ 1.7	− 10.8	− 4.1
Razor Blades	− 1.8	+ 1.5	− 1.8
Razors & Blades	− 9.0	− 2.7	+ 4.1
SKIN CARE AIDS	**+ 3.9%**	**+ 9.9%**	**+ 17.3%**
Hand & Body Creams & Lotions	+ 13.6	+ 14.0	+ 20.8
Facial Preparations	+ 10.3	+ 12.9	+ 27.3
Lip Care Products	− 14.1	+ 12.6	+ 22.9
Suntan Lotions & Oils	− 10.5	− 4.9	+ 15.0
Cosmetic & Medicated Skin Aids	+ 4.0	+ 8.7	+ 4.6
TOTAL ALL CATEGORIES	**+ 1.8%**	**+ 4.4%**	**+ 0.7%**

Schering

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